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Daily Report

Latin America

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FBIS-LAT-94-223 *18 November 1994*

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Regional Nations Meet on Miami Summit

FL1711194094 Kingston RJR Network in English 1700 GMT 17 Nov 94

[FBIS Transcribed Text] The member countries of the Caribbean Community, Caricom, and some of their Latin American neighbors are today meeting at the Wyndham Hotel in Kingston. The regional leaders have come together to develop a common approach to next month's Summit of the Americas in Miami. Now this report from Earl Mocksam:

[Begin recording] [Mocksam] After the opening ceremony, the new chairman of Caricom, Owen Arthur, pointed to the historic importance of the hemispheric summit. He said this was an opportunity which the region could not afford to lose.

[Arthur] We have indeed an (?unprecedented) opportunity to identify obstacles to our progress and agree on how best to remove them. The Miami summit is therefore very timely. The structure of international relations is being radically reshaped. And it is by no means clear that governments are fully in control of their [word indistinct]. Within our own hemisphere, democracy and human rights are (?supreme) values not only within society, but in the relations between states. Trade liberalization and economic integration are fundamental [word indistinct]. Development that can be sustained by our precious and fragile environment is not [words indistinct] by an economic necessity.

[Mocksam] Caricom Chairman and Prime Minister of Barbados Owen Arthur.

The (?opening ceremony) was also addressed by Jamaican Prime Minister P.J. Patterson, who welcomed (?the participants) to Jamaica.

Reporting for RJR News, I am Earl Mocksam. [end recording]

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Cuba

U.S. Legal Immigration Policies Outlined

FL1611194394 Havana Radio Progreso Network in Spanish 1232 GMT 94

[Note from the U.S. Interests Section in Cuba published in GRANMA on 16 November; from the "First Thing" program]

[FBIS Translated Text] The U.S. Interests Section in Havana City has requested that we inform the population about the possibilities for legal immigration into the United States, in accordance with the migration accord signed by the Governments of Cuba and the United States on 9 September.

Cubans who have established their legal residence in the United States can petition for their relatives to join them there. According to the extended program, announced on 12 October, eligible relatives include single adult children and people who live in the same household and form part of the same family nucleus.

Other possibilities include the following programs: a special program for former convicts imprisoned for crimes against the state's security, according to the migration accord of 14 December, 1984. This program was originally created for former convicts imprisoned for crimes against the state's security, but now it has been broadened to include other categories of participants. The number of Cubans eligible to be admitted into the United States under this program has been increased from approximately 3,000 to at least 6,000. In addition, some petitions which had been denied in the past are presently being reconsidered. Those Cuban citizens who feel they qualify may write to the U.S. Interest Section requesting their inclusion in this program.

Immigrants waiting list—A special one-time opportunity is being offered to those Cuban citizens who were on the immigration waiting list prior to 9 September 1994. These people qualify for immigration as relatives of U.S. residents, but under the previous program would not have had the opportunity to enter the United States before 30 September 1995. The U.S. Interests Section has a list of the people in this category and they have already started to contact and to notify them of their eligibility to immigrate to the United States this year.

Special lottery program— Approximately 5,000 people will be able to enter the United States through this program. To participate, one must be a Cuban citizen, reside in Cuba, and be at least 18 years of age. He should be able to respond affirmatively to at least two of the following five questions: Have you finished high school or a higher level of education? Do you have at least three years of work experience? Do you have a trade? Do you have relatives in the United States? Have you expressed your interest to immigrate to the United States before 1 October 1994?

If you consider yourself qualified to be included in the lottery program and you want to participate, you must: Send an empty and sealed [as heard] envelope to U.S. Interests Section, Post Office Box 6831, La Habana 6, Cuba, postal code 10,400. On the exterior of the envelope, in the top left corner, print or type the following information in this order: name, address, identification card number, marital status, and number of single children under 21 years of age. Mail the envelope to the U.S. Interests Section between 15 November and 31 December, 1994. Your envelope should be postmarked by the Cuban postal service with a date prior to 1 January 1995. Send only one envelope to participate in this program. If more than one envelope is sent, you will be disqualified. After a random drawing among participants, those who are chosen will be notified by the U.S. Interests Section and called to an interview. They will be given a date for this interview and will be requested to bring all appropriate paperwork with them at that time. People who are at the Guantanamo Naval Base or in Panama will be able to participate only after returning to their place of residence in Cuba. In those cases where they have not been able to return voluntarily before the 31 December deadline, the deadline will not be applied.

Vice Minister Reconfirms Interest in Caribbean Trade

FL1711211294 Castries HTS Caribvision Television in English 1945 GMT 17 Nov 94

[From the "Caribbean Evening News" program]

[FBIS Transcribed Text] Cuba is calling on Caricom [Caribbean Community] members to step up efforts at developing trade links with the Spanish-speaking country. Cuba's vice minister of external investment [Raul Taladrid] is in Trinidad and Tobago as part of his country's bid for foreign investment. Dale Enoch gives us the details:

[Begin recording] [Enoch] Taladrid says what is being offered by Cuba is a sovereign state, a people willing to work, and an open policy concerning investment.

[Taladrid] We are open in all productive sectors, including sugar industry, including oil, oil refining, oil producing, including tourism, also services, etc. Exactly I cannot tell you right now in which areas, but I can tell that we are open to any possibility that could be of mutual benefit for Trinidad and Tobago and Cuba.

[Enoch] The vice minister feels now that Cuba is a part of the Association of Caribbean States, a greater balance in trade must be created. He says his country is willing to accept offers from the Caribbean. Mr. Taladrid maintains that communist policies are not a deterrent to foreign investors, America's trade embargo is.

[Taladrid] No, no politics involved. And we have received recently, for example, a lot of American companies. They are very capitalistic, no? They are very

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capitalistic. And those American companies are interested in investing in Cuba. But what happens? They are not free to invest in Cuba because the U.S. Government do not allow them to invest in Cuba because of the embargo.

[Enoch] He says more than 69 American companies visited Cuba in the last few months. There they discovered a nation with order, a productive sector, and a society ruled by an uncorruptable government. [end recording]

Minister Discusses Foreign Investment Opportunities

PA1811020294 Havana PRENSA LATINA in Spanish 1731 GMT 16 Nov 94

[Report by Nancy Zamora]

[FBIS Translated Text] Madrid, 16 Nov (PL)—Ernesto Melendez, Cuban minister of foreign investment and economic cooperation, has said there will be greater opportunities for foreign capital in his country in the future.

This was but one answer Melendez gave to the many questions he was asked yesterday during a news conference at the European Journalists Club in Madrid.

Expanding on this, he said a new foreign investment law is currently being drafted based on the experience gained and on discussions and suggestions. The law will further simplify procedures and provide security and clarity for investors.

Moreover, Cuba is already signing bilateral agreements with the governments of Italy, Spain, Russia, and Colombia on reciprocal promotion and investment guarantees.

The minister said it was impossible for him to define the economic model Cuba is heading toward, but he said it would be based on maintaining the nation's advancements in social justice and far removed from neoliberal formulas or shock policies.

He referred to the existence of joint ventures in various sectors and noted that the oil sector was especially important because of its possible multiplying effect on the economy if self-sufficiency in energy is achieved.

Regarding a change in the Cuban monetary system or the eventual exchange of the peso, the foreign investment minister pointed out that governments generally do not announce these changes in advance; however, he said such changes in currency were not [as received] being contemplated.

Studies are currently being conducted on this subject, always with the stability of the peso in mind, which, he added, is gaining strength because of measures taken to rectify Cuba's internal finances.

In reply to questions regarding incentives received by workers in joint ventures that operate with foreign currency, Melendez said this is an issue now being studied in new legislation regarding foreign investments.

It means, on the other hand, that according to existing Cuban laws, foreign investors can repatriate their profits without any restrictions and regardless of the availability of currency on the island.

Another subject discussed during the meeting was the negotiation of an agreement with Australia's Western Mining Company for the exploration and exploitation of nickel in Pinares de Nayari and the percentage share of foreign capital in this association.

In this case, the minister confirmed that the value of the operation could hit $500 million and that the Australian company is interested in holding more than a 60 percent share of the capital.

Nevertheless, he emphasized that the amount of the investment and the percentage share will depend on the results of a feasibility study now under way.

Melendez referred to a number of letters of intent signed by U.S. businessmen to conduct business upon cessation of the blockade imposed by Washington. He said they reveal an interest in very diverse sectors, including the telephone, tourism, trade, services, and oil sectors.

Because the U.S. Government prevents them from investing in Cuba, U.S. businessmen intend to show their interest in investing in Cuba through these letters in order to demonstrate that interest exists within the United States, as well as to have a chance to invest when the blockade ends, Melendez said.

The foreign investment minister denied that the goal of Cuban tourist activities is to compete with other nations in the Caribbean area.

These activities are complementary and beneficial to all of the nations in the region, as proven by Havana's ties with the Caribbean Tourist Association, Caricom [Caribbean Common Market], and the Caribbean Association, Melendez said.

Melendez is on a working visit to Spain, which began Monday [14 November] with a conference on investments in Cuba sponsored by the Spanish Foreign Trade Institute and the Argentaria Financial Corporation. More than 200 businessmen attended the conference.

During his visit, Melendez also will have business meetings in Barcelona and Oviedo and will give a number of speeches at economic institutions in the two cities.

Delegate Denounces 'Militarization' of UN

PA1811044194 Havana PRENSA LATINA in Spanish 0114 GMT 18 Nov 94

[FBIS Translated Text] United Nations, 17 Nov (PL)—Cuba affirmed today that the international community is witnessing a trend toward the militarization of the United Nations.

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Speaking at the Fourth Commission's debate dedicated to "a broad examination of all aspects of peacekeeping operations," Cuba's delegate, Abelardo Moreno, said the indiscriminate use of military personnel is implicit in such operations.

In addition to this, he noted, reserve forces and other structures are being created with the intention of militarizing all mechanisms of the Secretariat. Now, there is even a proposal to establish military reinforcements to be stationed in regions near theaters of operation—forces that could be called up in cases of emergency.

Moreno said that, instead of complementing one another, peace and development have become adversaries that now compete for the limited resources of the United Nations and the international community as a whole.

Moreno noted that the United Nations now constitutes a forum for confrontation and ideological debates between those who, by virtue of their economic and military power, demand peace through armed force and those who demand peace through justice and social development.

Moreno said the heart of the matter is not to have to decide what kind of activities—whether peacekeeping operations or development—should receive most of the resources of the United Nations.

The Cuban delegate stated: "The heart of the matter is to determine which efforts will more effectively engender peace—the imposition of peace by military means, with its sequel of death and suffering, or the promotion of peace by guaranteeing that all people can readily have access to the progress that today is enjoyed only by a few."

Moreno called for a strict implementation of the guidelines that govern UN peacekeeping missions, noting, for example, that both conflicting sides must request and approve the presence of a UN mission.

The Cuban delegate joined those in the debate who demanded that all operations should always and in every way remain under the operational command of the United Nations—a principle that is being violated over and over through the increasingly common practice of granting "licenses" to states or groups of states to act on behalf of the organization.

Moreno also denounced the tendency for UN peacekeeping missions to take on responsibility for activities related to other UN duties related to humanitarian aid, electoral assistance, and human rights.

He gave the example of the incorporation of the Field Operations Division and the Electoral Assistance Division into the Peacekeeping Operations Department. The Cuban delegate urged the Secretariat to be more careful, because, without a doubt, many of its actions have encroached upon the laws of member states.

Bolivian Diplomat: Miami Summit Should Avoid Cuba

PA1711232194 Havana PRENSA LATINA in Spanish 1246 GMT 16 Nov 94

[FBIS Translated Text] Havana, 16 Nov (PL)—Jaime Aparicio, Bolivian national secretary for foreign relations, today expressed his opposition to the U.S. blockade against Cuba. Aparicio is heading his country's delegation at the first meeting of the Cuban-Bolivian Joint Commission for Cooperation.

Bolivia condemns all unilateral blockades against any nation because it believes such blockades are not in keeping with the principle of nonintervention, he said in a statement to PRENSA LATINA.

Along these same lines, the diplomat recalled his country has a very clear position on this issue, which has been reflected (through Bolivia's support of resolutions against the blockade) at the United Nations, the Ibero-American summits, and the Rio Group.

Aparicio arrived in Cuba on Monday [14 November] at the head of a delegation participating in the first meeting of the Cuban-Bolivian Joint Commission for Cooperation, which is reviewing cooperation in the fields of economics, science and technology, education, and culture.

We believe that the advanced level of bilateral relations will lead to concrete actions in terms of cooperation and trade, aid in various areas, and implementation of joint projects, he noted.

During the meeting, Havana and La Paz plan to identify possible areas for joint cooperation, particularly areas such as agriculture, fishing, the sugar industry, basic iron and metal works, sports, tourism, and environment.

Aparicio acknowledged the cooperation Cuba has given Bolivia in specific fields such as sports, health, and culture.

Aparicio believes this proves that there is a true potential to broaden cooperation and that bilateral relations are consolidating based on current demands.

Three agreements dealing with the areas of science and technology, education, and culture will be signed during the meeting of the Cuban-Bolivian Joint Commission—the first such commission formed since the resumption of bilateral relations in 1983. An agreement on visa exemptions for diplomats also will be signed at the meeting.

Asked about the prospects for the Miami hemispheric summit—a summit to which Havana has not been invited—Aparicio said the meeting should not consider any detailed topics, "much less Cuba."

The Miami summit must have another agenda. We are aware that trade topics will be in the spotlight. Obviously, democracy and sustainable development also will be part of the agenda, he pointed out.

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Aparicio and his delegation will stay in Cuba until Saturday and will meet with Foreign Trade Minister Ricardo Cabrisas; Rosa Elena Simeon, minister of science, technology, and environment; Culture Minister Armando Hart; Higher Education Minister Fernando Vecino Alegret; and other Cuban officials.

Aparicio's visit also will seek to strengthen current political ties between the two foreign ministries and governments, a source within the Joint Commission explained.

Last August, Cuban Foreign Minister Roberto Robaina went to La Paz as part of a tour through several countries in the region.

Sugar Minister: Guantanamo Harvest Work 'Satisfactory'

FL1711154094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Sugar Industry Minister Nelson Torres described as satisfactory the preparations for the upcoming sugarcane harvest in Guantanamo.

Torres, who is very busy these days, stressed to government, political, union, and Sugar Industry Ministry officials in Guantanamo that the sugarcane harvest is won today through good preparation. An efficient and short sugarcane harvest is obtained by adequate organization in the harvest and quality repairs in the industry, collection centers, and agricultural machinery.

[Begin Torres recording] We have worked hard on this type of objective potential, and on the potential to overcome the subjective problems that plagued us during the last sugarcane harvest. We are truly seeing a different position, a position from which to carry out the sugarcane harvest more efficiently. [end recording]

The preparations are going well despite limited resources. The control rooms will guarantee, through their analyses and decisions, the efficiency of the industrial process.

[Begin Torres recording] If we manage to implement all the measures between now and the beginning the sugarcane harvest, and we have the controls, and prepare the workers, and ensure that all the brigades and shift chiefs understand the functions and goal of the control room we will start to win the battle. [end recording]

Torres was also briefed on the revitalization of sugarcane basic cooperative production units in Guantanamo though the implementation of steps to strengthen workers' discipline and the elimination of small plots planted for personal profit [conucos]. Guantanamo is well into fulfilling its winter planting campaing although 80 caballerias still have to be planted. All these preparations are done following a schedule.

[Begin Torres recording] From this point on, efficiency will be on the increase and we will begin to have more sugarcane for the upcoming harvest. [end recording]

Haiti

Aristide Appoints New Interim Army Commander in Chief

FL1711134594 Port-au-Prince Radio Metropole in French 1145 GMT 17 Nov 94

[FBIS Translated Text] The first news of the day is the appointment by President Jean-Bertrand Aristide of a new Haitian Armed Forces [FADH] interim commander in chief. President Aristide made this decision by decree. Brigadier General Bernadin Poisson is thus appointed interim FADH commander in chief while expecting confirmation by the Senate of the Republic. This decision has been ratified by Prime Minister Smarck Michel, Defense Minister Wilton Lherisson, and Interior Minister Rene Prosper.

We have also learned that officers including Lieutenant Colonel Irvine Mehu, Major Apollon Medassier, and Captain Gerald Larochelle have been discharged by decision of a discharge commission formed within the FADH. This decision has been approved by the FADH interim commander in chief.

Vatican Reportedly Forces Aristide To Give Up Priesthood

FL1811015894 Port-au-Prince Signal FM Radio in French 1130 GMT 17 Nov 94

[FBIS Translated Excerpt] One of President Jean-Bertrand Aristide's close friends reports that the Vatican has pressured President Aristide into giving up the priesthood. A monk close to the Haitian president told AFP on 16 November that Aristide has given up the priesthood under pressure from the Vatican. The religious figure, who asked to remain anonymous, said that President Aristide was renounced unknowingly and against his will after the Vatican blackmailed him into burying the hatchet and returning to Haiti to establish political peace. President Aristide's friend recalled that the Vatican was the only state which recognized the regime that overthrew President Jean-Betrand Aristide during the September 1991 military coup. The monk complained: This is very distressing and unfair, but they are stronger than us. He pointed out that the Vatican tolerates numerous monks throughout the world, including African bishops and Polish Cardinal Glemp, who has been repeatedly criticized by the world Jewish community for his stands on Auschwitz death camp. [passage omitted]

Aristide Meets With Businessmen

FL1811033194 Port-au-Prince Radio Metropole in French 1145 GMT 17 Nov 94

[FBIS Translated Text] President Jean-Bertrand Aristide met Haitian private sector representatives on 16

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November. The head of state told the businessmen he received at the National Palace yesterday: We cannot succeed without you. Rothschild Francois reports:

[Begin recording] [Francois] President Aristide stressed during his meeting with businessmen at the National Palace on 16 November that unity, security, and stability will help the nation progress economically. This was Jean-Bertrand Aristide's first meeting with the private sector after having returned to Haiti. He committed himself to real cooperation between the public and private sectors, within the framework of this new beginning. The head of state insisted that political stability is vital to economic growth and that public authorities will guarantee and assure that stability. President Jean-Bertrand Aristide mentioned measures that his administration will take to harmonize public and private sector relations.

[Aristide] It is absolutely necessary to guarantee a stable environment and conditions to stimulate investment, production, and productivity. You will soon learn of plans to create a presidential commission on economic growth, an office for boosting investment, and a state chancery for tourism. You will soon learn of plans to create a trilateral executive-private sector-labor union commission. We must enhance our image, primarily by rebuilding infrastructure—roads, airports, beaches, monuments, cleaning up our cities. That is the image of Haitian pride, of Haitian dignity. I am pleased that this is the image I have had in mind since 15 October and have in mind as I meet with you.

[Francois] President Aristide called on the business community to help boost the economy. Jean-Bertrand Aristide said that Haiti can experience an economic boom like the one experienced in Asia if there is unity.

[Aristide] We will not succeed without you. I repeat: We will not succeed without you. There is no way we can fail with you at our side, listening to you, talking with you, walking hand in hand. Unity comes through diversity. We must succeed. We can succeed. We will succeed.

[Francois] Jacques Deschamps, Jr., president of the Chamber of Commerce, recognizes that the private sector will have to play a responsible role if there is to be a new start. Deschamps made it clear to President Aristide that businessmen are ready to work toward national development. The Chamber of Commerce president supports free enterprise, monetary and financial stability, fiscal discipline, and a state of law where every citizen will be respected. Deschamps mentioned that private sector individuals are somewhat apprehensive, following reports of plundering and robbery over the past weeks. That is why the new Chamber of Commerce president makes some recommendations to the current government.

[Deschamps] It is imperative at this point that your government use its legitimacy and its credibility in view of the urgent reestablishment of order and security of lives and properties. Let us have, among other conditions, the more adequate reinforcement of public forces. Despite this preoccupation, we make it a point of expressing to you our satisfaction to have picked up, through recent statements and those of several members of your administration, the obvious willingness from the authorities to grant to private initiatives the role that they deserve in the effort for development. We make it a point to confirm our willingness to commit ourselves to dialogue and contribute to a policy of social and economic (?construction). Our vision is essentially realistic. Because it is imperative to remedy to a lamentable situation by some [word indistinct] means as it is obvious that our country can no longer afford to function as in the past.

[Francois] President Jean-Bertrand Aristide later embraced the Chamber of Commerce president to the audience's warm applause. [end recording]

St.Kitts and Nevis

Deputy Prime Minister's Replacement Named

FL1711205294 Castries HTS Caribvision Television in English 1945 GMT 17 Nov 94

[From the "Caribbean Evening News" program]

[FBIS Transcribed Text] Sydney Morris, the deputy prime minister of St. Kitts-Nevis, has resigned his post. This move comes some six days after his two sons—Dave and Dean—were arrested on firearm, ammunition, and cocaine possession charges. The 59-year-old politician has been replaced by Hugh Heyliger. In a nationwide radio and television address on Tuesday [15 November] night, Mr. Morris said he would not give up his parliamentary seat. The federation's prime minister, Dr. Kennedy Simmonds, has since announced that he was making Morris an adviser to the Ministry of Education, Youth, and Community Affairs. This decision has received immense criticism from the opposition St. Kitts Labor Party, which has been calling for Morris' resignation since the 1 October disappearance and suspected murder of his son, Vincent. Police have found what they suspect to be the remains of Vincent Morris and his female companion, Joan Walsh, in a car which the two had rented. The remains were found in the boot of the burnt out car in a cane field on Saturday. Police and Scotland Yard investigators link the disappearance of Vincent Morris to the drug trade.

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International Meeting on Migrant Workers Proposed

PA1811002194 Mexico City NOTIMEX in Spanish 2130 GMT 16 Nov 94

[FBIS Translated Text] Mexico City, 16 Nov (NOTIMEX)—Mexican diplomat Olga Pellicer today proposed convening an international convention to discuss and reach agreements on norms governing the human rights of migrant workers. Such a convention could also help get the immigration issue included in multilateral agreements.

While participating in a seminar entitled "Mexican Foreign Relations With Europe and Latin America" organized by the German Konrad Adenauer Foundation, Pellicer said, internationally speaking, the immigration problem is not exclusively a Mexican-U.S. problem; it is a problem that also interests Europe.

She said immigration conflicts between Mexico and the United States are not new. Rather, they usually occur in times of economic crises in the United States, when xenophobic and racist sentiments reappear.

She said that, in the future, relations between Mexico and the United States will continue to be "twofold"; on one hand, there will be understanding in terms of financial and trade matters, but on the other hand, there will be disagreements in immigration matters.

As for California's Proposition 187, she noted that Mexico's Embassy and consulates in the United States are already working to defend Mexican citizens from the possible repercussions of the initiative. She recommended waiting for rulings from U.S. courts on Proposition 187, because "within the United States there are voices that charge Proposition 187 is unconstitutional and, therefore, it cannot be implemented."

Pellicer said Mexico must face the future challenge of strengthening its position before the OAS with the help of powerful allies when establishing multilateral agreements. We should also define our international policy in terms of a highly interdependent world, she said.

Diplomats, university scholars, and political party members are participating in the seminar "Mexican Foreign Relations With Europe and Latin America," which began Wednesday [16 November] and concludes Thursday.

Brazilian Official on Trade Negotiations, ALADI

PA1711184294 Mexico City EL FINANCIERO in Spanish 15 Nov 94 p 28

[Report by Lourdes Gonzalez Perez]

[FBIS Translated Text] Lauro Soutello, commercial secretary of the Brazilian Embassy in Mexico, has charged that Mexico has given precedence to bilateral trade negotiations, an issue which represents a difficult path for Latin American integration and which is incompatible with the spirit of the ALADI [Latin American Integration Association].

He warned that ignoring or causing the disappearance of the ALADI entails the risk of obliterating the initiatives to strengthen the region in the face of other trade blocs. The ALADI system, he added, is necessary as the framework to regulate trade among the area countries.

He thus acknowledged that Mexico, as the rest of the Latin American nations, is fully entitled to handling its trade relations as it deems best. It would have to act, however, within the parameters of the ALADI so as to promote an ever-growing trade liberalization in the region.

He said Mexico has negotiated its most recent agreements—the Free Trade Agreement with the United States and Canada, with the G-3 [Group of Three] with Colombia and Venezuela, with Costa Rica and Bolivia, and the ongoing negotiations with Nicaragua and other countries—totally outside the ALADI. This country has relegated the association to an inferior level.

The ALADI constitutes, however, the necessary legal framework to sustain and provide a solid foundation for the region's trade, the official said, stating the need to incorporate this mechanism into "a new phase" promotes a real integration, without entailing any constraint on the member countries.

On another matter, Soutello was asked about the new phase of Mercosur [Common Market of the South] (comprised of Brazil, Argentina, Uruguay, and Paraguay), which he has defined as the most advanced in the process of integration. He has said the common external tariff the four nations will establish starting 1995 has not been fully defined, which is why a maximum period of six months will be granted to be implemented in the rest of the countries.

He said: Once a common system of tariffs has been defined, which is expected toward the end of 1994, Mercosur's negotiation with each of the other ALADI member countries will be reinforced. The four plus one formula will be implemented in the talks, meaning the four countries will negotiate as a bloc with each one of the rest of the members to establish the preferential tariffs to be maintained for each, the exceptions that will be created, and the deadlines to implement the new common external tariff.

The Brazilian official said the four countries are involved in negotiations of agreements among themselves and the rest of their trade partners in view of the imminent creation of a common tariff starting next year.

He affirmed the goal of putting it into force in January 1995 is unchanged, but time has run out in view of the complications that have arisen along the process of the negotiations. For that reason, the four countries have

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decided to wait until next June to fully implement common external tariffs with regard to their other trade partners.

Chiapas Governor-Elect Presents Social Reform Policy

PA1711185294 Mexico City LA JORNADA in Spanish 15 Nov 94 p 21

[Report by Alonso Urrutia]

[FBIS Translated Text] Palenque, Chiapas, 14 Nov—Governor-elect Eduardo Robledo Rincon has said: Given the magnitude of the prevailing backwardness in the state, the social reform required in Chiapas transcends the term of one administration. The primary, the urgent thing to do is fight the extreme poverty and social problems that are linked with it and result from the land ownership dispute.

Upon presenting his social reform policy, Robledo said "70 percent of the territory in Chiapas is in the hands of the social sector. In other words, most of it has been distributed, yet there are more than 8,000 agrarian conflicts despite this fact," so it is necessary to solve the land problem, because it has negative effects in the state's agrarian and livestock production.

Robledo said later on no social program will be able to counter the state's backwardness if the current demographic growth rate continues, 4.5 percent per year, the highest in the country and twice the national rate, even if the local government's resources are quintupled. Estimates reveal the state will grow almost 50 percent, so Chiapas' population will increase from 3.5 million to 5 million citizens.

Figures on Chiapas' backwardness in every sector were revealed during presentation of the Forum on Overall Social Reform. Lorenzo Lopez Obrador spoke on behalf of the secondary education sector and said:

Chiapas has the highest illiteracy rate, 28 percent, 31.7 percent of its school children have no access to schools, and 70 percent of those who enter elementary school drop out, so the average school education level is second grade, 6.2 percent below the national average. Consequently, only 5 percent of its students go on to higher education, and 80 percent of those who attend the university choose careers in the social sciences and humanities.

The summary of demands collected during consultations prominently features those dealing with the demand of the Indians and these groups to assume decisions on their governments. Referring to this issue, it is necessary to sponsor the creation of Indian regions with a self-government community.

Regarding income levels, it was revealed that 19 percent of the 854,000 employed workers have no income, 39.9 percent receive less than one minimum salary, and 21.1 percent receive between one and two minimum salaries. Based on these figures, it is evident the state's poverty levels surpass the national average and put it in first place. Also, 84 percent of its municipalities have a high percentage of underprivileged people.

Robledo Rincon recognized in his statement that the magnitude of the state's backwardness surpasses the capability of one administration to abate it. The primary, urgent thing to do is to reduce extreme poverty, which has reached inadmissible levels, he said.

Nevertheless, he said "the land ownership issue is certainly the root of the state's social problems, but the real problem is much more serious and more deeply rooted than the agrarian conflicts we know."

He said: The land is no longer capable of providing what is necessary to fulfill basic social demands. "The land is now insufficient, and an indefinite distribution will achieve nothing; it would lead us nowhere, except to the distribution of poverty." He said land ownership in certain zones, Los Altos for example, is less than two hectares per peasant.

After noting 70 percent of the land belongs to the social sector, he said there are 8,000 standing disputes involving ejidos in Chiapas. There are also 900 disputes between ejidatarios and owners, and 74 percent of them "involve small properties;" hence, he did not deem the expropriation of lands viable.

To this effect, he said a reform is required "in our relations with the land to increase its potential," because only 10 percent of its productive potential is being exploited. "Reactivating rural production is necessary. Land disputes will only multiply the problems," he warned.

He later referred to the need to revert the demographic trend, "a need which is necessary for any policy to succeed." He added "it is impossible to guarantee that enough social services will be available" with the current demographic distribution, in which 16,000 scattered communities comprise a large percentage of the population. As a result, he proposed a "demographic reconversion."

Finally, Robledo maintained it is necessary to create 200,000 jobs annually in the rural areas alone.

Chiapas Businesses Shut Down To Protest Lack of Security

PA1811035494 Madrid EFE in Spanish 0156 GMT 17 Nov 94

[FBIS Translated Text] Tuxtla Gutierrez (Mexico), 17 Nov (EFE)—Eighty percent [as received] of the businesses in Tuxtla Gutierrez, capital of the Mexican state of Chiapas, went on strike today to protest a lack of guarantees and security, according to local business leader Jose Luis Alborez Zavaleta.

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The strike was called by the Chiapas Chamber of Commerce to demand that the law and the Constitution be upheld in Chiapas. The strike was joined by 1,400 of the 2,200 businesses that operate in Tuxtla Gutierrez, 700 km southeast of the Mexican capital, and it also spread to other towns, Alborez stated.

Businessmen "are threatened by various conflicts by groups that think they own Chiapas and believe they can impose their decisions on the state," the leader added.

Some 75 percent of businesses closed in the towns of Arriaga, Ocosingo, and Pijijiapan, according to sources in Chiapas.

Chiapas is currently living under a state of armed conflict, following the insurrection by the Zapatist Army of National Liberation (EZLN) in the western zone, while the rest of the state faces political problems following tumultuous elections that were won by Eduardo Robledo Rincon, the ruling party candidate.

The State Council of Indian and Peasant Organizations of Chiapas, an umbrella group for a number of independent organizations, claims Robledo's triumph was the result of electoral fraud, and it is demanding that its candidate, Amado Avendano, be recognized as governor; otherwise, it will organize a civil resistance movement.

In Tuxtla Gutierrez, some of the businesses that opened said other establishments were pressured into the joining the strike. Alborez denied the business strike is politically connected with Robledo, who is supposed to take office as governor on 8 December.

The Chamber of Commerce of Chiapas announced that the strike will continue on Friday, 18 November, with the shutdown of businesses in the town of San Cristobal de las Casas and on Saturday, 19 November, in Huixtla and Palenque in the central and northern region of the state.

Deputy Attorney General on 'Collusion' in Ruiz Assassination

PA1711142794 Mexico City Radio ACIR Network in Spanish 0000 GMT 15 Nov 94

[Report by Jesus Casasola from the "ACIR Radio News" newscast]

[FBIS Translated Text] Mario Ruiz Massieu, deputy attorney general of the republic, has made important statements during an interview granted to Television Azteca. He has said there was collusion between Maria de los Angeles Moreno, who presided over the past 55th legislative sessions, an official of the Attorney General's Office, whose name he did not disclose, and Ignacio Pichardo Pagaza, a leader of the PRI [Institutional Revolutionary Party] to cover up for politicians who participated in the plot to assassinate Jose Francisco Ruiz Massieu.

The deputy attorney general's revealing statements are based on the fact the PRI Executive Committee has acted wrongly and has tried to downplay the tone of the type of crime that was committed. Ruiz Massieu said in the interview he thought he was going to have all the support of the ranking leaders of that political party so that the investigation could be carried out to the end. He has said, however, there was collusion between Maria de los Angeles Moreno [the unnamed official, and Pichardo] so as to hinder the investigations at a given moment. Here is an excerpt of the interview granted by Mario Ruiz Massieu to Television Azteca:

[Begin Ruiz recording] The problems that arose at the beginning and which led, in my opinion, to the validation of a request for leave, which does not meet any authentic requisite, was carried out in collusion between the leader of the Chamber of Deputies, the PRI secretary general today, and an official of the Attorney General's Office, who is not connected with the investigation. He has said, however, there was a total rejection of having this type of investigation. [end recording]

Ruiz has emphatically stated the PRI was more concerned about defending the criminals than in resolving the matter of the death of the former PRI secretary general. They are important statements, Pepe, because if we analyze this interview, what Mario Ruiz Massieu is saying is that the PRI was more concerned with defending the criminals than in resolving the matter of the death of the former PRI secretary general. This matter leaves much to be desired in terms of what will follow regarding the possible cover-up on the part of certain PRI leaders, an issue which the deputy attorney general of the republic commented on today. He has made strong statements to Television Azteca.

Agreement Reached With PRI

PA1711185494 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Nov 94

[Report by Jesus Casasola; from the "Panorama Newscast"]

[FBIS Translated Excerpt] An agreement has already been reached between the Deputy Attorney General's Office and the Institutional Revolutionary Party [PRI] regarding the investigation of the assassination of Jose Francisco Ruiz Massieu following the explosive statements made yesterday by Deputy Attorney General Mario Ruiz Massieu, who said high-ranking PRI leaders have concealed or at least obstructed the investigation in collusion with a certain high- ranking official at the Attorney General's Office itself.

The Deputy Attorney General's Office issued another communique the afternoon of 15 November on the meeting held between Mario Ruiz Massieu and Maria de los Angeles Moreno, secretary general of the PRI, and Ignacio Pichardo Pagaza, president of the PRI National Executive Committee.

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The three-point document contains the agreement reached between Ruiz Massieu and Moreno and Pichardo: 1) the common determination to completely resolve the crime; 2) the decision to iron out differences of criteria in meetings so as to prevent public statements from obstructing the course of the investigation; and 3) the holding of periodic informative meetings to discuss the progress of the investigation so that doubts that may emerge may be resolved.

The Deputy Attorney General's Office and the PRI stated that confrontation does not contribute to the establishment of an atmosphere of peace and calmness in the country. They pointed out that confrontation provides opportunity for those wishing to promote unrest at a time in which the country requires greater harmony for national coexistence for the benefit of all. Likewise, the Deputy Attorney General's Office announced that the investigation into the slaying of Jose Francisco Ruiz Massieu is a priority and that no efforts will be spared in conducting it.

This is the conclusion of the important communique released by the Deputy Attorney General's Office following the explosive statements made by the deputy attorney general regarding the investigation of the assassination of Jose Francisco Ruiz Massieu, former secretary general of the PRI National Executive Committee. [passage omitted]

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El Salvador

President Interviewed on Miami Summit, Peace Accords

PA1811040994 Mexico City XEW Television Network in Spanish 0430 GMT 17 Nov 94

[Interview via satellite with President Armando Calderon Sol in San Salvador by Jacobo Zabludovsky at the XEW Television Studios in Mexico City; from the "24 Hours" newscast—live]

[FBIS Translated Text] [Zabludovsky] Mr. President, all of the American chiefs of state and government will meet in Miami in three weeks. What will be your position and your country's position during this meeting?

[Calderon] I believe it has be a very honest position. We, the American chiefs of state and leaders, must speak in very clear terms with President Clinton. We must ask for trade benefits, and we must ask for trade and security to foment a true exchange and to ensure that this relation will equally benefit the United States and the Latin American people. We believe that we do not have to ask for donations, favors, or gifts. We need to ask for fair trade.

[Zabludovsky] Mr. President, Mr. Ernesto Zedillo, the president-elect of Mexico, will be with you on 18 November in San Salvador. What issues will the two of you discuss? What do you expect from this meeting?

[Calderon] We will indeed be honored to welcome Mexican President-elect Zedillo to this capital. He will pay a courtesy visit to Central America, and we will have the chance to speak about issues such as trade between Mexico and El Salvador, as well as trade between Mexico and Central America. We also will address other issues regarding the summit to be held in Miami.

We also will speak about the need to broaden even further our relations with Mexico. We believe we are natural allies; we are Mexico's brothers in the south. We must also think about sustainable development in this region. There must be neighborly, close, and thriving relations between Mexico and Central America. We believe that President Zedillo agrees with this idea, and we will maintain close ties with Mexico during this new presidential term.

[Zabludovsky] Mr. President, at what stage is the compliance with the peace agreements signed with the FMLN [Farabundo Marti National Liberation Front]?

[Calderon] I would say the Salvadoran peace process is consolidating and taking root more and more with the passing of time. Salvadoran democracy is a reality, and we are proud of what we are forging. We are deeply and eternally grateful to Mexico, which helped us reach peace and understanding. The signing of the peace agreements in Chapultepec is proof of the help Mexico gave us. I can say we are at the stage of complying with the agreements. We have been complying with the agreements, but we still have some agreements with which to comply. We are at this stage, and we have been politically committed to complying with the peace agreements since we took power and heeded the Salvadoran people's mandate.

President Defends Decision To Deploy Army in Strike

PA1811011394 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Nov 94

[Report by Ernesto Lando from the "YSU Radio News" newscast]

[FBIS Translated Text] President Armando Calderon Sol today stated that he personally ordered the 3d Infantry Brigade to control the violent incidents caused by the transportation strike in the eastern part of the country where three people were killed and 20 others injured.

The Salvadoran president pointed out that the order resulted from the inability of the police to control the situation that erupted a few days ago in the eastern department of San Miguel. Calderon Sol also stressed that whenever the situation requires such action to prevent violent protests, he is prepared to deploy the Armed Forces, as he is empowered to do by the Constitution of the Republic.

[Begin Calderon Sol recording, in progress] ...and their active involvement was vital. I personally ordered the Army's involvement. The president of the Republic is empowered by the Constitution to do this, and I will do this again whenever necessary. I believe that the country is in need of order and respect. [words indistinct] San Miguel was blocked. All of the access roads leading to San Miguel were blocked. Can you imagine what it is like for an active and dynamic city such as San Miguel to find all of its roads and streets suddenly blocked?

We tried to encourage a dialogue. We sought some type of mediation, and we even attempted to talk to them. Up to the last minute we were trying to talk to them by using megaphones. Some individuals had been strategically deployed by the business sector. These individuals, already mentally prepared to break the law, began firing. This type of situation is intolerable. I would even say that it was this type of setting that forced me to order the National Civilian Police [PNC] to intervene, along with the Armed Forces, to tow away the trucks. I gave the order because I could not allow San Miguel to continue to come under a blockade.

There is an administration in El Salvador that is prepared to enforce the law and the legal system. If I am forced to make a decision in a similar situation, I will do the same thing. The PNC was unable to handle the situation in San Miguel, and it was unprepared to face

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these kinds of incidents, because it did not have a sufficient number of agents or the necessary equipment. [end recording]

In terms of the possible resignation of some government officials, President Calderon Sol remarked that the transportation vice minister is prepared to resign as result of the San Miguel incidents. In addition, the housing vice minister also decided to resign and return to the private sector.

[Begin Calderon Sol recording] Indeed, the transportation vice minister has indicated he is prepared to resign because of the transportation crisis we are confronting. He believes that his performance may have possibly led to the crisis, or may well have worsened it. He also believes it would be preferable to put his office at the disposal of the president. It is not that he is resigning. He clearly said that his office is being place at the disposal of the president, which I believe is a very courageous thing to do. This is equivalent to saying that he has always sought to make the right decision and that he is prepared to do things properly. I believe that this was a very noble decision by the vice minister—a decision we should all appreciate.

With respect to the deputy housing minister's position, he has been saying for several months now that he would like to return to his business. He has been involved in the public sector for a long time and is eager to return to his business. Considering that he is a very well-known architect, his partners at the consulting firm have been urging him to return. Nevertheless, we have asked him to remain in his post a few more months, considering he has already implemented some changes in this sector. He was the one who set up FONAVIPO [expansion unknown] and implemented changes in the property owners registry. Currently, he is providing us with logistical support to carry out the agreements in measuring the plots to be distributed to the demobilized groups. In other words, he is providing a valuable service. We have urged him to continue to undertake this difficult task of expediting the land distribution process. Because he has been successful in completing the urban property distribution process, then why not use him and his methodology to carry out the rural process? [end recording]

Meanwhile, President Armando Calderon Sol stressed that the recent cases of medical negligence that have been reported are evidence of the kinds of problems law officials are currently facing. At any rate, he indicated that accountability must be determined in all cases reported.

President Reports on Operations of Armed Gangs

PA1711184894 San Salvador Canal Doce Television in Spanish 0100 GMT 16 Nov 94

[From the "Up-to-Date" newscast]

[FBIS Translated Text] President Armando Calderon Sol admitted in San Miguel today the government has reports on the operations of armed gangs in the country's southeastern region but has been unable to control them.

President Calderon Sol has responded to remarks by Diego Garcia of ONUSAL [UN Observers in El Salvador], who has said the Joint Group has submitted sufficient evidence to prove that politically motivated outlawed armed gangs are still operating in the country's eastern region:

[Begin Calderon recording] Yes, there are armed gangs. We have not located them yet. We know there are many criminals in the country, and we are fighting them with the National Civilian Police [PNC], with the logistical support of the Salvadoran Armed Forces, as we have often requested it. [end recording]

Commenting on the violence that occurred on Monday [14 November], [words indistinct] Calderon Sol has expressed regret that three people died and 15 were wounded:

[Begin Calderon] As the government, we have condemned these incidents and expressed regret over these incidents, but we are also obligated to enforce the law, to enforce the rights of people, and to enforce coexistence. [end recording]

On this same incident, Defense Minister General Humberto Corado Figueroa has said the Armed Forces acted in support of the PNC:

[Begin Corado recording] We were asked to support the PNC. I feel this is a totally legitimate action with which we were only seeking to restore order and to protect the interests of the majority of the people. [end recording]

Calderon Sol along with General Corado were present at the inauguration of Metrocentro, San Miguel's largest shopping mall.

Guatemala

Army Questions U.S. Position on Bamaca's Whereabouts

PA1811010994 Guatemala City SIGLO VEINTIUNO in Spanish 16 Nov 94 p 3

[Report by Carlos Castanaza]

[FBIS Translated Text] Army spokeswoman Berta Edith Vargas de Marroquin yesterday asserted that her organization does not know why the U.S. State Department assumes that Efrain Bamaca, a rebel known as Commander Everardo, is under arrest and in the custody of the military, as claimed by various international media.

The Army, however, will say nothing else about this case and is limiting itself to pointing out that the Supreme Court has ordered the Office of the Human Rights Ombudsman to investigate the case—an effort that will be respected and supported. Because of this, Vargas

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noted, the Army cannot issue an opinion on what has been said about this case by U.S. Government officials.

Vargas also referred to a statement by former UN expert for Guatemala, Christian Tomuschat, who has spoken out against the Guatemalan Army and against the role it plays in the current government.

Vargas noted that herinstitution respects and is especially fond of Tomuschat, but he does not live in here. He merely receives information from various sectors, and now that he is in the country, it would be appropriate for him to talk to us.

Vargas denied claims that the Army does not let the president work or manage his agenda independently, stressing the fact that De Leon Carpio is the Army's commander in chief. Regarding the Files Department [Archivo] mentioned by Tomuschat, Vargas said she does not know the exact situation of that department, but she added that most of the human rights recommendations made by experts, especially those from Monica Pinto, have been followed.

After admitting that the views of Tomuschat, who lives outside the country, must not be dismissed out of hand, Vargas said she does not believe that the Files Department is constructing a new building, because now a new concept prevails—namely, the concept of the National Security Council.

Finally, she explained that the military presence in various parts of the capital, which has been heightened even further since yesterday, stems from the military's cooperation with the civilian security forces in and around the city in the wake of a presidential order. She added that this service will continue for an indefinite period of time.

Honduras

Army Chief Cited on Draft, Fight Against Crime

PA1711224894 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 16 Nov 94 p 3

[FBIS Translated Text] Tegucigalpa—Armed Forces Chief General Luis Alonso Discua Elvir has accused the Christian Civic Committee [Comite Civico Cristiano] of violating the Constitution of the Republic by offering protection to military draft dodgers.

The military leader says he trusts that Honduran youths will voluntarily comply with a recruitment drawing that will begin on 19 November, "because conditions have changed." He added that, under the new system, the Armed Forces will train soldiers in keeping with current circumstances.

The incentives for the "winners" in the recruitment drawing are, among other things, a formal or technical education, and he promised that treatment of recruits will be better than in the past. Discua Elvir made these statements while attending a birthday party for General Walter Lopez Reyes at the Government Palace.

As for a poll indicating that the Armed Forces continue to be a primary political force in the country, Discua Elvir said, "we are living in a democracy and must respect the people's mandate."

Crime Wave

Discua attributed the crime wave currently punishing the country to structural problems. "This is why we will not be able to eliminate this social scourge by simply increasing the number of police," he noted.

Nevertheless, he also denied that the military is using this assessment as an excuse to shirk its duty of fighting crime. He also denied that the nation's security forces are unable to fight crime.

Meanwhile, Discua stressed that what happened at his country home was insignificant and that the operation conducted there was designed to reduce crime in the area.

On another subject, Gen. Discua denied there will be job rotations within the Armed Forces, and he asserted that military officers must aspire to someday become chief of the institution. All colonels are now candidates to occupy this honorable post, he pointed out.

He underscored that, given time, the Armed Forces will conduct all military matters according to plan. He said this in reference to Colonel Alvaro Romero's possible promotion, thereby denying that Col. Romero may opt to replace him because he is about to retire. "We must give the new generation an opportunity to replace us," he said. Speaking further on this subject, he emphasized that the new Armed Forces chief could be among the eighth or ninth graduating classes.

Panama

Commission President Vallarino: Canal Not To Be Privatized

PA1711183894 Panama City LA PRENSA in Spanish 17 Nov 94 p 1

[Report by Jose Quintero De Leon and Vilma Figueroa]

[FBIS Translated Text] Joaquin Jose Vallarino, president of the ad hoc Commission on Reverted Areas and Future Administration of the Panama Canal, has said it is necessary to clarify to an uninformed public that the Canal is not going to be privatized.

He has said Article 1 of the proposed new title to be added to the Constitution clearly stipulates: The Canal is a national asset and thus is inalienable, a dictum which eliminates any pretensions that could exist.

Vallarino made that statement at a news conference with local journalists during which he explained the scope of

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the constitutional title on the Panama Canal Administration, which is under debate at the National Assembly.

"We must stop hiding like an ostrich (burying our heads in the sand in order not to see the danger). We must face the challenge and decide how we are going to do it. If we are not ready yet, we still have five years to do it," said Vallarino, who has participated in the drafting of the ARI [Interoceanic Region Authority] Law as well as the title.

Vallarino has said we will have the same bureaucratic problems affecting all other government institutions, beginning with the pre-approvals, should the title be rejected and a law adopted instead.

"In that case, the Canal will have two administrators: the comptroller general and its own administrator," he said.

Meanwhile, Legislative Assembly President Balbina Herrera has said Panamanians cannot make the same mistake with the Canal as with the reverted areas; otherwise, the United States could assume the administration of the waterway.

Herrera, who has expressed concern over the controversy the subject has generated among legislators, has said that she toured recently with representatives of Southern Command military installations that have already reverted and others to be reverted and that she was "disturbed" by the state of deterioration in which they found.

"It was sad to realize that we do not have a development plan and that the reverted areas are deteriorating. We cannot make the same mistake again," said Herrera, who favors the title.

Although she has admitted there is no consensus within her party, which has the majority in the Assembly, she has said Panamanians should not be apprehensive about the title. She has invited those who are in doubt to discuss it and to express their views on the basic law for the title.

She downplayed objections made by a minority of employees of the Panama Canal Commission who have questioned the title, saying it does not contemplate the universal right to strike. She added the Canal has never stopped operating due to labor conflicts, as there are methods to deal with those problems.

Asked what would happen if Legislative Act No. 1 is rejected, she has said a new bill would have to be presented to two legislatures and then be subject to a referendum, a process which would take at least two years. She added that during this time, a there could be a change in the correlation of political forces, a point which could interfere.

Meanwhile, President Ernesto Perez Balladares has said he respects the independence of the legislative and executive branches, and, therefore, will not issue an opinion on the title until the Assembly makes its final decision.

"My party's (PRD) [Revolutionary Democratic Party] legislative bloc has not made a decision yet. I have my own opinion but will not state it until the Assembly announces its position or after consultations are made," he has said.

Comments on Canal Debate in U.S. Senate

PA1811035094 Panama City EL PANAMA AMERICA in Spanish 17 Nov 94 p 1

[Report by Carlos Vargas]

[FBIS Translated Text] Joaquin J. Vallarino, head of the Presidential Commission for Panama Canal Affairs, yesterday said the reform draft bill to Law 96-70 currently being debated in the U.S. Senate will have no bearing on the Legislative Assembly's decision on the constitutional title on the Canal's administration.

According to Vallarino, it is absurd to say that the U.S. Senate debate could affect Panama's plans for constitutional reforms dealing with the Canal.

"I see nothing in that bill that affects the goals outlined in the constitutional title, and it will not lead to the privatization of the Canal either," Vallarino told a media seminar.

Vallarino explained that the U.S. Senate bill seeks to turn the Canal's administration into a corporation to make the transition period more flexible. He denounced the fact that the reform draft bill to Law 96-70 presented in the U.S. Senate a year ago has been brought up with the sole intention to confuse the public.

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Argentina

Prince's Visit Causes Altercation Between Foreign Ministry, UCR Officials

PY1711141094 Buenos Aires TELAM in Spanish 1510 GMT 16 Nov 94

[FBIS Translated Text] Buenos Aires, 16 Nov (TELAM) — The visit of Prince Andrew today caused an altercation between Andres Cisneros, secretary general of the Foreign Ministry, and Raul Galvan, president of the UCR [Radical Civic Union] bloc of deputies.

Cisneros stated that the protocol rules and regulations for receiving a member of the royalty are the normal ones, while Galvan maintained that "the government should not exceed itself in honors that embody a lack of respect for our dead in the Malvinas."

In remarks to Radio America, Galvan expressed his "respect for the people of England and their culture," but he highlighted the fact that "the custody of sovereignty must be decorous."

"The spiritual beliefs of a people must always be respected, and we must express a healthy nationalist spirit," he added.

The Radical deputy said that "the diplomatic rules and regulations should not have been bent in order to extend a wider carpet for the honors rendered to the representative of a government that does not recognize the sovereignty of a part of our territory."

Over the same radio, Cisneros considered "as totally normal" the protocol rules and regulations that are being used for the visit to Argentina by Prince Andrew of Great Britain. He said that "when President Carlos Menem finally visits England, we will see how he is received. These are things that civilized countries do."

Galvan stressed that "all diplomatic means must be exhausted" to recover the sovereignty over the Malvinas Islands. "The country is tired of these epileptic reactions that the president uses within his ideology," the deputy said, adding that during the election campaign Menem had said that the archipelago would be recovered with "blood and fire."

Replying, Cisneros asked: "What have President Menem and that alleged epilepsy done? He did a sensible thing: He divided relations with England into two spheres."

"One sphere pertains to the Malvinas, and the other to trade, culture, and diplomacy" with the United Kingdom, and he maintained that significant progress has been made regarding the latter.

Alluding to the word that Galvan had used, Cisneros ironically indicated that "since President Menem implemented his epileptic policy, trade with great Britain has grown enormously. The same applies to cultural exchanges, diplomatic relations, and the respect that the world has for Argentina."

Prince Considered 'Former Enemy'

PY1711142094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1516 GMT 16 Nov 94

[FBIS Translated Text] Buenos Aires, 16 Nov (NA)— Navy Commander Admiral Enrique Molina Pico today said that the Navy "will receive Prince Andrew as a former enemy" during the visit he will make to Navy installations, and he clarified that the stage of conflict over the Malvinas Islands "has been overcome."

Twelve years after the war in the South Atlantic, Molina Pico said, "the Armed Forces, like the rest of the country, have overcome the trauma of the war;" therefore, "the Navy will receive the Duke of York according to the orders given by the executive branch."

The high-ranking military chief admitted, however, that the visitor will be received as a "former enemy" despite the fact that the armed confrontation over the Malvinas Islands has been "overcome."

"I am a Malvinas War veteran and all of us who fought in that war defended the motherland and complied with our duty to fight the enemy. Twelve years have gone by and relations have been reestablished," Molina Pico told journalists at the northern dock of the metropolitan port before attending the reception ceremony of the frigate "ARA Drummond."

In conclusion, the Navy commander stressed that "relations have been reestablished, and today we are receiving Prince Andrew as a former enemy."

Menem Comments on UK Embassy Incidents

PY1711143194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1605 GMT 16 Nov 94

[FBIS Translated Excerpt] Buenos Aires, 16 Nov (NA)— President Carlos Menem today held "an ultra-leftist sector" responsible for the incidents in front of the British Embassy on the first day of Prince Andrew's visit to Argentina.

Menem said that they are groups "that have lost their way and that resort to violence to mark their presence in the media." He also criticized "some deputies"—who he did not identify—for having "fundamentalist attitudes that do not help create a good image on this subject."

The head of state reiterated his confidence that Argentina will recover the sovereignty of the Malvinas Islands before 2000, and he pointed out the importance of the visit by a person "who could perhaps become king of the United Kingdom." [passage omitted]

Visit 'Marred' by Demonstration

PY1711171794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1541 GMT 17 Nov 94

[FBIS Translated Excerpt] Bahia Blanca, 17 Nov (NA)— Prince Andrew visited the Puerto Belgrano Naval Base

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at noon today; for the first time since he began his visit to Argentina, he was dressed in his Royal Navy full dress uniform.

The Duke of York, who is second in line to the throne [as received], arrived from Buenos Aires aboard a Focker plane. After meeting with Argentine Navy pilots, he boarded a helicopter accompanied by Admiral Enrique Molina Pico, the Navy chief of staff, to go to the destroyer Hercules.

Prince Andrew lunched with Navy officers on this war vessel, which is similar to the British destroyer Sheffield that was sunk by Argentine Air Force pilots during the Malvinas war.

The arrival of the Duke of York was marred by a demonstration by a group at the main square, where there is a war memorial in honor of the fallen during the Malvinas war.

The Duke of York is scheduled to travel by helicopter at the town of Saliquelo [Buenos Aires Province], where he will visit the 1,200 hectare ranch of his mother-in-law, Susan Barrantes.

The official agenda for 18 November disclosed by the British Embassy states that the prince will spend part of the day on private activities or perhaps stay at the Barrantes' ranch before departing for Miami, on his way home. [passage omitted]

PRC's Qiao Shi Arrives, Visits Senate

PY1711144494 Buenos Aires TELAM in Spanish 2229 GMT 15 Nov 94

[FBIS Translated Text] Buenos Aires, 14 Nov (TELAM)—Senate President Eduardo Menem thanked Qiao Shi, chairman of the Standing Committee of the National People's Congress [NPC] of China, for his country's support of the demands that Argentina has made to the United Nations regarding the Malvinas Islands.

Menem expressed his thanks in his welcoming speech when Qiao made a protocol visit to the Senate at midday.

The Justicialist Party congressman and Qiao exchanged greetings during a brief meeting, with the participation of deputies and senators, held in the Senate's Eva Peron Hall.

The senator also expressed his satisfaction regarding the "upcoming recovery," as of 1997, of China's sovereign rights over Hong Kong, which has been dominated by Great Britain since the beginning of the 19th century.

The visit of Qiao, who is also a member of the Communist Party of China Central Committee, to the Senate is part of the official agenda pertaining to his official visit to Argentina, which begins today.

During the meeting, Menem and Qiao exchanged presents, and agreed on the "need" to strengthen relations between the two countries through an upgrading of trade relations.

Senators Juan Aguirre Lanari, Fernando de la Rua, Jorge Cendoya, Pedro Molina, Oraldo Britos, Enrique Martinez Almudevar, and Juan Carlos Oyarzun, among others, participated in the meeting.

Visits Supreme Court

PY1811023094 Buenos Aires TELAM in Spanish 0054 GMT 18 Nov 94

[FBIS Translated Text] Buenos Aires, 17 Nov (TELAM)—Qiao Shi, chairman of the Standing Committee of the National People's Congress of the People's Republic of China, today met Supreme Court Justices Ricardo Levene (Junior) and Eduardo Moline O'Connor.

During his visit to the Supreme Court, Qiao Shi was accompanied by PRC Ambassador to Argentina Tang Yonggui, among other officials. After the meeting, the visitor emphasized the "longstanding cooperative and friendly relations between the two nations."

Concerning the legal area, Qiao Shi emphasized the "excellent implementation of an agreement signed in Beijing by Dr. Levene and the PRC Supreme Court president."

Qiao Shi's meeting with Levene and Moline O'Connor was followed by a meeting with Supreme Court justices, in which Justices Julio Nazareno and Eduardo Moline O'Connor were elected chief justice and deputy chief justice, respectively, for a three-year period.

Communist Party Delegation Visits Castro in Havana

PY1711143594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2314 GMT 15 Nov 94

[FBIS Translated Text] Buenos Aires, 15 Nov (NA)—Cuban President Fidel Castro has received in Havana an Argentine Communist Party delegation headed by Patricio Echegaray. They jointly analyzed "the new framework of Latin America and the world following the elections in the United States and in several countries of the continent."

They also analyzed "the several forms of resistance developed by Latin American peoples in face of the blows inflicted by neo-liberal polices." They also ratified "the initiatives of cooperation and solidarity between the two parties."

The Argentine delegation, which includes Victor Kot and Salvador Caputo, said the Argentine Communist party expressed its solidarity "with the Cuban revolution" and confirmed its participation "in the upcoming

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debates of the Sao Paulo Forum, which is a forum of unity for leftist Latin American forces. [no closing quotation marks received]

Di Tella: Menem Determines Foreign Policy

PY1711225894 Buenos Aires TELAM in Spanish 1606 GMT 16 Nov 94

[FBIS Translated Text] Buenos Aires, 16 Nov (TELAM)—On 16 November, Foreign Minister Guido Di Tella confirmed that the Menem administration's policy on the Malvinas Islands seeks the recovery of Argentine sovereignty over them. He moreover stated that Mario Campora, Argentine ambassador to London, must toe the government line.

In reply to Campora, who had questioned the possible payment of an indemnification to Kelpers, the foreign minister asserted that "it is President Carlos Menem who determines Argentine foreign policy guidelines, and I implement them."

In remarks made to Radio 9.90, Di Tella said: "I have talked with Campora to find out what he meant by those remarks. He contended that they had been misinterpreted. We will assess them and continue our discussion."

Di Tella noted that he will receive a tape containing Campora's remarks in the forthcoming hours, adding that "it is not incumbent upon him to oppose or accept" the alleged payment of a sum of money to Malvinas Islands inhabitants, as "he who determines the government's line is President Menem, and I implement it."

The foreign minister underscored the strides made in relations with the United Kingdom, and commented that the Duke of York's visit to Argentina "will enable us to negotiate investments, and economic and trade matters, at another level."

"It will also enable us to negotiate at another level political issues in the South Atlantic, and the Malvinas Islands. Even if this may seem contradictory or if some people fail to understand it, it contributes to our national objective in the fields of economics and politics," he underlined.

Commenting on another issue, Di Tella termed Argentine participation in the naval blockade against Haiti "most successful" because "it achieved the objective of restoring democracy" to that Caribbean country "without violence or bloodshed."

Menem Creates 'Elite Corps' To Investigate Terrorism

PY1711232994 Buenos Aires TELAM in Spanish 1559 GMT 17 Nov 94

[FBIS Translated Text] Buenos Aires, 17 Nov (TELAM)—President Carlos Menem today announced the creation of an elite corps to investigate the attacks against the Israeli Embassy and the Argentine-Israeli Mutual Association (AMIA).

The president said the elite corps "answers a request by Israeli associations in Argentina."

"Yesterday I signed the decree creating the elite corps to investigate those attacks," the president told Radio El Mundo.

Menem said the government will assign "$2 million to pay for information" leading the police to clarify those attacks and especially important police cases.

The resources for the special fund will be deducted from "funds assigned to the Presidency in the national budget."

Federal Judge Juan Jose Galeano, who heads the investigation into the AMIA bombing on 18 July, will evaluate all information leading to the case's clarification.

Asked if the idea of a reward is a result of suspicions that there are people who know something, but do not report it for fear of reprisals, Menem said: "It could be" and recalled the case of the baby girl, Maria Noelia Galeano. The baby was only a few days old when she was stolen from the Ramos Mejia Hospital. She was found a few days later following a lead provided by a person who accepted the reward offered by journalist Bernardo Neustadt in exchange for information.

Government Orders Year-End Public Spending Freeze

PY1811013494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1739 GMT 17 Nov 94

[FBIS Translated Text] Buenos Aires, 17 Nov (NA)—The government has issued a decree ordering ministries and other public organs "not to spend the remainder of their budget appropriation for consumer goods, nonpersonal services, and durable goods," in order to "save" the 1.3 billion pesos needed to pay pensions.

The announcement was made by Economy Minister Domingo Cavallo, who added that the savings will be achieved with "funds earmarked for use by the 1994 budget law."

"This is exactly the amount we need to fulfill all our obligations, including the December bonus, with pensioners through the end of the year," Cavallo explained during a news conference at the Economy Ministry.

The presidential decree forbids state organizations from signing new contracts or deciding on new acquisitions. It only permits them to implement programs already contracted.

Cavallo said the decree also asks the National General Trusteeship (SIGEN) "to check the accounting of all public organs to make sure that no unauthorized spending is done as of today."

Cavallo said the measure will permit the government "to avoid contracting new debts," although making clear

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that his ministry was not dropping the request to increase the budget that was included in the Law of Social Security Solidarity.

"Some of the savings will come from budget items that forbid the transfer of funds, by decree, to the social security system's current account," Cavallo explained.

The minister said the measure's implementation "is entirely feasible, as we are talking about only 43 days."

"In practice, it means closing the year on 17 November instead of doing so on 31 December," Cavallo said.

The minister also made clear that the measure does not mean backtracking on the bidding of Treasury Notes scheduled for 22 November, "because the bidding is part of the ordinary budgetary financing plan."

"The financing program for the year continues unchanged," the minister said.

Cavallo totally ruled out the possibility that higher international interest rates might have influenced the decision.

"International markets have not influenced our decision to stay within the limits of the total amount approved for spending in the 1994 budget," Cavallo emphasized.

Cavallo said the possibility of increasing minimum pensions was one of "Congress' prerogatives."

The minister said "the Law of Social Security Solidarity is important, because once a year, after receiving the estimates of funds available for the following year, Congress will establish minimum and maximum pensions, general mobility, and a special mobility for pensions below 450 pesos."

"This is the basic concept of our reform proposal," Cavallo stressed.

The minister then added that "the executive branch wants to end pension correlation with workers' salaries and the increase in already high pensions, so as to have greater resources to further adjust the lower pensions."

Budget Deficit, Economic Problems Viewed

95SM0048A Buenos Aires CLARIN in Spanish 30 Oct 94 Economic Supplement pp 2-3

[FBIS Translated Text]

Warning Signals for the Plan

Until now, the budget surplus had been the principal shield protecting convertibility. But the balance sheet has deteriorated in recent months. The new pension crisis has only compounded other problems that have been plaguing the economic team: a decline in tax revenues and an increase in spending have triggered alarm bells. Now, the government will begin borrowing heavily.

The secretary of finance, Ricardo Gutierrez, admitted this week that public accounts could close with an appreciable deficit in 1994, even with the revenue from privatizations figured in. Under a convertibility system that gap cannot be filled by printing new money, but rather only by raising taxes, privatizing, or incurring new debt. Since the first two options are not easy to implement right away, borrowing (both domestically and abroad) seems to be the path that the economic team will most likely take, to judge by the statements made by various Finance Secretariat officials.

Things were not supposed to work this way. When Domingo Cavallo launched the convertibility plan in April 1991, he reiterated tirelessly that the key to the new program's success was an impressive budget surplus. For three years, an excess of revenues over expenditures enabled Cavallo to weather several runs on the peso and rumors of devaluation.

In each instance, Argentina's robust budget surplus (something few countries can boast) was the credential that Minister Cavallo constantly pointed to, enabling him to restore confidence at home and to reestablish credit abroad to finance his policies. With a budget surplus, the government was able to avoid issuing inflationary money and obtained the necessary funds to pay the interest on the domestic and foreign debt.

Today the outlook has changed. There is virtually nothing left to privatize; taxes are no longer flooding in, and government spending is not only not declining, but in fact rising. From July to September of this year, the Treasury recorded a deficit of over $650 million. Now the administration seems to have changed its tune about the importance of a budget surplus: a deficit no longer seems unacceptable, and "equilibrium" in public accounts is now once again praised. The economic team's agenda includes the need to finance the deficit.

Of course, as the government's credit-worthiness weakens, this new debt will become more expensive, because our so-called "country risk" has increased at a time when global interest rates are clearly on the rise. The most recent bond issue Argentina floated early this year will cost 10.95 percent in yearly interest, far above the average of 8 percent achieved for debt issues in 1993. Since at the same time there is also a deficit in the balance of payments, as imports exceed exports and owing to financial obligations, debt is emerging as an issue once again. Both the public and the private sectors are borrowing at an increasingly rapid pace.

More Spending and Less Revenue

The budget deficit came to light when the Finance Secretariat, in announcing its draft budget for 1995, asked for an increase in spending for that year of 1.547 billion pesos, part of which, according to the draft, could be covered by existing funds, leaving a deficit of 991 million. However, things became more complicated, as

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tax revenues, which had increased during the first half of the year, began in July to decline relative to the same months the previous year.

So, during the July-September quarter, tax revenues were 480 million current pesos below the amount brought in during the same three months in 1993. The decrease is due to two factors: a decline in receipts from the VAT [value added tax] and from fuel taxes, reflecting a leveling off of sales and the loss of contributions from workers who joined the AFJP [pension fund management companies]. There was also a considerable increase in tax refunds and reimbursements to exporters, far exceeding the rise in exports. Here are the numbers: In the first nine months of this year reimbursements cost 1.53 billion pesos versus 1.05 billion for the same period in 1993, an increase of almost 50 percent, while exports increased barely 10 percent.

In this context, the 1995 draft budget triggered warning lights. Although the accounts are presented as balanced, expenditures are up again by more than 1.3 billion over the expanded 1994 budget, while the revenue targets are excessively optimistic. Relative to 1994, projections are that capital-gains tax revenues will rise 27 percent, VAT revenues (net of reimbursements) 15 percent, internal revenues 12 percent, and revenues from foreign trade taxes 9 percent, all of this assuming a rapidly expanding economy.

The 1995 budget calls for a 4.6 percent increase in social security payments, which implies that there should be no increase in retirements. However, under the new social security law there should be an increase owing to changes in the AMPO (average social security contribution) in the second half of this year. In theory, this increase should be no less than 10 percent, because individual contributions, which are taken as the basis for calculating the AMPO, rose from 10 to 11 percent.

This is why many analysts believe that it is no coincidence that Article 10 of the 1995 draft budget authorizes the Executive Branch to raise spending throughout next year as budget appropriations run out and if the necessary financing can be obtained.

Finally, there is the question of whether in 1995 the authorities will be able to extend the rebate on employer contributions to other economic sectors, as promised. If they do, the DGI [General Directorate of Taxation] will forgo collection of about 2 billion pesos a year, an amount that is hard to give up when there is a budget deficit, unless said amount were to be offset by a 37 percent increase in the number of persons contributing to the pension system, according to calculations by the Latin American Economic Research Foundation.

The size of the budget deficit next year, an election year, will depend on whether or not the rebate on employer contributions is extended. What already seems clear is that "the budget deficit is with us," and it does not seem to be a passing thing.

Security Secretariat Authority, Funding Revealed

95SM0047A Buenos Aires LA PRENSA in Spanish 16 Oct 94 p 2

[FBIS Translated Text] Little by little, and despite difficulties, Andres Antonietti is consolidating his field of authority. On 23 September, the decree creating the Secretariat of Internal Security and Community Protection, which will be headed by the retired brigadier general, was signed. This "supersecretariat" will centralize intelligence information from all over the country; will be responsible for counterintelligence; and may choose to take action in the most widely varied affairs, ranging from natural disasters such as floods to public or private transportation strikes.

But beyond the issue of political support from the government, Antonietti's secretariat has problems with the Ministry of Economy. The transfer of a sum of almost $10 million allocated to cover this year's budget is overdue.

The new secretariat will coordinate the information and intelligence from the state intelligence bodies (EEI) and the regional intelligence organs (OIR), and may require the National Intelligence System to provide whatever data may be "necessary" to carry out the mission of the Security Secretariat. The decree published recently echoes the original proposal submitted by the head of this sector. The proposal calls for placing the General Coordination and Intelligence Directorate under the jurisdiction of the Undersecretariat for Internal Security. This department will have broad authority:

—To coordinate the securing of intelligence and information.

—To produce intelligence and to communicate it to the members of the Security Council and the Crisis Committee, and the other forces and bodies included in the internal security system.

—To coordinate the securing of counterintelligence information and to produce it for distribution to the Security Council and the Crisis Committee.

On the other hand, the Undersecretariat for Community Protection will have a specific field of action within society. Plans call for authorizing it "to enter into action" on a broad range of issues, ranging from floods to "sabotage" at an electrical plant. "It will have the authority to draft the measures necessary in order to implement the policies established for the protection of the community, in cooperation with national, provincial, or private entities, in the event of a disaster, whether natural or caused by man, or a crime that by its nature falls within its jurisdiction," the decree says.

The General Directorate for Community Affairs will have the task of analyzing all of the information brought together in the Secretariat. It will be responsible for "aiding and advising" in the study of various policies and situations affecting public health; the economy;

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production sources; supply or labor; basic services such as water, light, and gas; fuels; the disposal of industrial or household waste; the media and communications facilities; and public and private transportation.

A quite sizable allocation is to be included in the next national budget for 1995. A total of $1 billion is to be distributed among all of the internal security bodies.

Of this sum, made up of funds reserved for inclusion in the so-called "Allocation 2000," the Secretariat of Internal Security will receive only $10 million. Meanwhile, Brigadier General (retired) Antonietti has voiced his "profound unease" caused by the delay in the transfer of this year's allocation, which the Ministry of Economy has failed to process.

Of the total amount established for the 1995 National Budget, the breakdown of which it is "difficult" to determine precisely, it can be deduced that more than half will be allocated to the Federal Police, while the balance will be divided among the Argentine Naval Prefecture, the Gendarmerie, and the "supersecretariat."

Antonietti has appealed repeatedly and to no avail to the Ministry of Economy for the transfer of the funds in order to meet the infrastructure requirements set forth in the table of organization submitted to President Carlos Menem a month ago.

That document provides that the secretariat will have two undersecretariats—one for security and one for community protection—under which there will be five general directorates. They will deal, respectively, with legal affairs, policies and plans, coordination and intelligence, community affairs, and administration and budget. Directly connected with the secretariat, and with overriding powers, there will be a so-called Security Council, which will advise the head of the sector on the drafting of policies, and a Crisis Committee, which will be responsible for the political execution and operational supervision of the federal and provincial security and police forces.

With regard to crisis management, the Antonietti plan calls for dealing with situations on a "precrisis" basis, continuing through the crisis as such and its effective handling, and the "postcrisis" stage, so as to cover "prevention, advance planning, action, resolution, and conclusions."

Bolivia

Relations With Chile Maintained 'Simply Under Trade Ties'

PY1711162294 La Paz Television Nacional Network in Spanish 0100 GMT 17 Nov 94

[FBIS Translated Text] According to Bolivian Government officials, relations with Chile must receive special diplomatic and political treatment, but they also said that conditions for these relations are not yet appropriate.

In remarks made by the Chilean president on relations between his country and Bolivia, he specified that he intends to grant priority to ties between the two countries, but always on the basis of the borders that are perfectly defined. In view of these remarks, the deputy foreign minister has released a communique.

[Begin recording] The Bolivian Government considers that the conditions are not appropriate for the resumption of diplomatic relations. However, it maintains a dialogue with the Chilean Government that includes all subjects of the bilateral agenda, with the purpose of carrying out actions of mutual interest for the benefit of the two countries. [end recording]

Chamber of Deputies President Javier Campero Paz also gave his opinion on the matter.

[Begin Campero Paz recording] According to what we have observed in Congress, the position of the executive branch is to maintain the situation simply under trade ties, and not to discuss yet the issue related to the resumption of diplomatic relations. [end recording]

A clear example of this is the construction of the gas pipeline to Chile and the exports and imports of merchandise, because the Chilean Government continues to maintain its international policy guidelines, which are also maintained by the current Bolivian Government.

Government Promises Not To Change Export Law

95SM0045B La Paz HOY in Spanish 8 Oct 94 p 11

[FBIS Translated Excerpt] The government assured the export sector that it will not change the export law as long as a dialogue continues and a consensus can be reached within the framework of the National Council of Exports (Conex). This ended days of fear and a sense of emergency for exporters.

The promise that there will be no change to the rules of the game without consensus and conciliation, and that there will be no changes to Conex, which was formulated by Secretary of Industry and Commerce Carlos Morales, calmed the worries of the hitherto fearful exporting sector.

Morales announced the decision during a ceremony commemorating the 25th anniversary of the National Chamber of Exporters of Bolivia (Caneb), celebrated last night in the Hotel Radisson.

The government announced the formation of a commission made up of the secretaries of finance, and of industry and commerce, to begin a process of dialogue and reconciliation with the exporters, formulate solutions and joint conclusions, and thus contribute to the progress and growth of Bolivia.

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The meetings of both sectors will take place during the next few weeks, and among the subjects to be covered will be duty free zones, the effectiveness of Ritex [expansion not known] and decisions on the Law of State Purchases and on the Law of Concessions. [passage omitted]

A Recount

Until late yesterday afternoon, the exporting sector was deeply concerned over the nearly confirmed changes to the export law, prepared by the executive branch, because the changes meant that the percentage of tax refunds to that sector would be substantially reduced.

However, leaders of the sector did not confirm the enactment of the plan to reduce tax refunds, which would apply to the troubled export sector.

This situation gave rise to the mobilization of exporters, who managed to exceed $350 million worth of exports in 1994. They feared a severe decline of exports, which could not, however, be quantified, and in addition a decline in investments, which are much needed in the field of exports.

One Billion Dollars in 1997

Retention of the export law will permit nontraditional exports in 1997 to reach $1 billion, also creating such benefits as foreign exchange earnings, job creation, transfer of technology, and industrial reconversion.

According to Caneb President Jaime Velasco, nontraditional exporters now account for more than one-third of Bolivia's foreign trade.

The export sector feels that it was not taken into account in government decisionmaking, because at no time was it informed through Conex about the proposed supreme decree that will replace the export law, despite the sector's readiness to discuss and study the problem, said Velasco.

The Proposal

The proposed supreme decree, that is supposed to replace regulation by the export law, contains "coefficients for tax rebates," which will be adjusted periodically by the executive branch.

Exporters currently receive 13 percent of IVA [Value Added Tax] payments in rebates, between 1.4 and two percent of IT [expansion not given] payments and between two and four percent of GAC [expansion not known] payments.

Under executive branch adjustments, the weighted general average for IVA rebates will be reduced to 3.46 percent, to 0.68 percent for IT rebates, and 0.94 percent for GAC rebates.

Brazil

PMDB Wins Most Governorships, PSDB 'Strengthened'

PY1711135294 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 16 Nov 94

[FBIS Translated Text] President-elect Fernando Henrique Cardoso's party, the Brazilian Social Democracy Party (PSDB), has emerged from the runoff strengthened, but the Brazilian Democratic Movement Party (PMDB) has won most of the 26 gubernatorial positions already ascertained in the runoff. Let us see which parties elected more governors:

The Liberal Front Party, which has already been the most popular party in the northeastern region, has elected only one governor, just like the case with the Brazilian Labor Party. The Workers Party, which for a long time led the presidential dispute, has elected only two governors. The Democratic Labor Party also elected two governors, just like the Brazilian Socialist Party. The Progressive Renewal Party has elected three governors in the northern region. The PSDB has left the elections as an important political force and has elected six governors. It did not surpass the number of governors elected by the PMDB, but will govern the states of Rio de Janeiro, Minas Gerais, and Sao Paulo. These states represent almost two-thirds of the Brazilian economy. The PMDB maintains the largest number of governors. It has elected nine governors, and its most important achievement has been attaining the Rio Grande do Sul state governorship.

Elections Show Cardoso's 'Great' Political Support

PY1711194794 Sao Paulo AGENCIA ESTADO in Portuguese 2218 GMT 16 Nov 94

[By Robson Barenho]

[FBIS Translated Text] Brasilia, 16 Nov (AE)—Based on the electoral results nationwide both on 3 October and in the 15 November runoff races, on the history of this year's electoral campaign, and on the profile of both the defeated and victorious candidates, it can be stated that never before Fernando Henrique Cardoso has a president-elect earned such great popular support and political power. Names, figures, and proclaimed intentions show that Cardoso enjoys great support among both voters and elected officials.

Voters have given the Brazilian Social Democracy Party [PSDB]—Cardoso's party—the governorships of six states that account for over 48 million votes. This is the most encouraging news the president-elect has received from the ballot boxes. Other good news for Cardoso is that the PMDB [Brazilian Democratic Movement Party], which is willing to support Cardoso's administration, has won eight governorships, accounting for at least 20 million voters, and may elect one more governor in

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Acre. Other good news for Cardoso is that his favorite PMDB counterpart, Antonio Britto, defeated the Workers Party [PT] candidate in Rio Grande do Sul and earned the right to speak for the PMDB. Other encouraging electoral news for Cardoso is that only moderate PT candidates—who were even supported by the PSDB and by Cardoso himself—won the gubernatorial elections in the Brasilia Federal District and in Espirito Santo.

Cardoso has yet to react to two other facts known today about the outcome of the 15 November runoff elections, and he may still not do that publicly in his speech scheduled for 17 November. These two facts are: 1) one of his first allies, the Brazilian Labor Party [PTB], won only one governorship; and 2) his other ally, the Liberal Front Party [PFL], should elect Roseana Sarney, former President Sarney's daughter, governor of Maranhao, and Paulo Souto governor of Bahia State, which is controlled by Antonio Carlos Magalhaes. The electoral failure of Senator Andrade Vieira's PTB should give Cardoso more elbow room in appointing his government team. Magalhaes' complete success in this election will enable him to hold great power within the PFL. Roseana's victory will boost Sarney's aspirations in Congress.

Starting 1 January, the coalition that took Cardoso to the presidency will have the governorships of Sao Paulo (Mario Covas), Minas Gerais (Eduardo Azeredo), Rio de Janeiro (Marcello Alencar), Sergipe (Albano Franco), and Para (Almir Gabriel)—all of these are PSDB governors; Bahia (Paulo Souto) and Maranhao (Roseana Sarney)—both of the PFL; and Roraima (Neudo Campos) of the PTB. Cardoso can also count on at least 171 federal deputies—without counting those elected in Rio de Janeiro—and 35 senators.

The PSDB-PFL-PTB bloc still falls far short of giving Cardoso the absolute three-fifths majority of congressmen he would need to introduce changes to the Constitution (308 deputies and 49 senators). This makes it essential for him to win the support of the PMDB, the largest bloc in Congress, which also elected the largest number of governors. To the 106 seats it won in the Chamber of Deputies and 21 seats in the Senate, the PMDB has added the election of governors in Rio Grande do Sul (Antonio Britto), Santa Catarina (Paulo Afonso), Mato Grosso do Sul (Wilson Martins), Rio Grande do Norte (Garibaldi Alves), Goias (Maguito Vilela), Paraiba (Antonio Mariz), Piaui (Mao Santa), Alagoas (Divaldo Suruagy), and Rondonia (Valdir Raupp).

Few governorships have gone to parties which are likely to oppose Cardoso's government. The history of the electoral campaign also indicates that only a moderate opposition should be expected: For instance, victorious PT candidate Cristovam Buarque was supported by the PSDB in Brasilia, and Victor Buaiz's candidacy in Espirito Santo was endorsed by Cardoso himself on the eve of the election. Of the governors elected by the PDT [Democratic Labor Party], Parana Governor-elect Jaime Lerner and Mato Grosso Governor-elect Dante de Oliveira attended electoral rallies with Cardoso. Of the governors elected by the PPR [Progressive Renewal Party], Amazonino Mendes of Amazonas and Orleir Cameli of Acre reached an agreement with Cardoso and the PSDB. Cardoso avoided contacts with the only two victorious candidates of the PSB [Brazilian Socialist Party] during the first round and runoff elections. They are Miguel Arraes in Pernambuco and Joao Capiberibe in Amapa.

In the remote chance that the above four parties and the Communist party of Brazil and the People's Socialist Party decide to engage in systematic opposition to Cardoso, the next government would have to deal with a bloc of approximately 140 adversaries in the Chamber and 20 in the Senate. The pro-government bloc, including the PMDB, the Popular Party, and the Liberal Party, would total 320 deputies (without counting those of Rio de Janeiro) and 62 senators.

IMF Memorandum Signed; Public Sector Finances Examined

PY1811022094 Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 Nov 94 Business and Finances Section p 3

[FBIS Translated Text] Brasilia—Because of the federal government's state-owned companies and those owned by state and county governments, the public sector will close the year with an operational deficit—revenues less expenditures, including payment of interest on the debt—totalling $3 billion, which is equivalent to 0.5 percent of GDP. These figures are part of the memorandum of understanding analyzed on 16 November during a meeting with the IMF board.

According to the economic team's prognosis, the federal government will end the year with an operational surplus of 0.2 percent of GDP. The state-owned companies, however, will have a 0.4 percent deficit, and the state and county governments a deficit of 0.3 percent. In 1993, the public sector as a whole will close its accounts with an operational surplus of 0.4 percent. Jose Cechin, deputy secretary for economic policy, explained: "We can still finish the year without this foreseen deficit, because we believe the drop in the state-owned companies' revenue throughout this year has been overestimated."

Cechin explained that when the experts drafted the document they estimated that the average utility rates for 1994 would be below those for 1993. "With the implementation of the real and the drop in the inflation rate, the financial revenues of the state-owned companies increased because utility rates are no longer corroded by inflation," he reported. As to the deficit of state and county governments, it could be smaller, because after the implementation of the real the Goods and Services Movement Tax collection increased by at least 15 percent.

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The government experts believe that if the government maintains the labor agreement reached with the oil workers, the state-owned companies' deficit will increase, but not only as a result of an increase in the costs of the Brazilian Petroleum Corporation. The experts add that the agreement will entitle the employees of other state-owned companies to request the same advantages.

At the end of September, Finance Minister Ciro Gomes handed to IMF Managing Director Michel Camdessus the memorandum of understanding giving the details of the country's economic and financial policies implemented this year. While still head of the Finance Ministry, Fernando Henrique Cardoso promised in February to send this memorandum to the IMF.

Economic Policy Secretary Winston Fritsch explained that Brazil currently has no need to sign a formal agreement with the IMF or to borrow money from it. It needs, however, intense technical cooperation with the organization. In the memorandum, the Brazilian Government officially calls for this cooperation and the IMF board's support for future accords. "We will continue to contact the IMF staff to exchange points of view on the planning and implementation of the stabilization program," states the memorandum signed by Ciro Gomes and Central Bank President Pedro Malan.

Chile

Frei Discusses APEC Membership, U.S. Trade Talks

PY1811002894 Santiago EL MERCURIO in Spanish 9 Nov 94 p C3

[FBIS Translated Text] Chilean President Eduardo Frei stated 8 November that Chile's entry into the Asia Pacific Economic Cooperation [APEC] forum should not be considered an attempt to compensate for the delay in the talks under way with the United States for the signing of a free trade agreement.

In addition to rejecting the term failure, used to describe this specific aspect of Chilean bilateral relations with the administration of Bill Clinton, Frei expressed his confidence that it will be possible next year to hold "more decisive talks" with the United States after the electoral process concludes there.

Frei made these remarks in a news conference with foreign correspondents on the eve of a tour of four Asian countries scheduled to start on 10 November.

Frei emphasized the interest expressed by businessmen in being part of his entourage for this tour.

The APEC member countries receive 50 percent of Chilean exports, and this is expected to rise to 55 percent this year.

Frei noted the open disposition of the Chilean delegation, as much as could be learned from the experience of other countries. He added that some of these countries are highly developed and others have "economies that are similar to ours."

He added that in its capacity as the first South American country to join APEC, Chile could serve as a bridge to the rest of South America, especially at this time when regional markets are becoming integrated.

Asked if Chile had joined APEC to compensate for the delay in the negotiations for the signing of a free trade agreement with the United States, Frei said that Chile has an open economy, that it is present in every market, and that every effort is being made to strengthen its participation in all these markets.

Frei said that this is clearly not an act of compensation, but rather is in keeping with our desire to establish strong ties with Mercosur [Common Market of the South], Asia, the European Union, and North America. He added: "These are stages that are being completed."

Frei declined to comment on the implications that a new composition of the U.S. Congress would have for Chile. He said he would not make predictions without first knowing the electoral results. He said: "I do not believe the victory of either party would have any implications for U.S. relations with Chile, as these elections are primarily focused on domestic issues. I do not believe the electoral outcome would make any impact on Latin American issues or on U.S. relations with Chile."

Frei said there is no concern about this issue because during his talks with Democratic and Republican senators in Washington, the Republicans were more inclined to sign an agreement soon.

On his return trip Frei will attend the inauguration of Mexican President-elect Ernesto Zedillo during a 36-hour visit to Mexico, a time which, he said, would be too short to discuss any issue at length. He noted, however, that both Mexico and Canada favor Chile's entry into NAFTA.

Frei emphasized the significance of the political relations Chile will establish with APEC member countries. He added that he is not overlooking the trade-related issues that will also be raised at the Indonesian summit.

Asked about the benefits the region would obtain through Chile's APEC membership, Frei said Chile is not seeking to become the only bridge between Asia and Latin America. He added that Chile hopes to serve as an advantageous bridge, because of its geographic location and the integration efforts within Mercosur concerning routes linking the two oceans.

Frei made it clear that although Chile is not seeking a leadership role, it has become a true alternative in light of its economic stability.

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Foreign Ministry Calls EU Document 'Positive'

PY1811002594 Santiago EL MERCURIO in Spanish 9 Nov 94 p C2

[FBIS Translated Excerpt] The Chilean Foreign Ministry said yesterday that the European Union [EU] has opened the possibility of strengthening multilateral or bilateral links with Chile, including economic and commercial aspects, in answer to proposals presented by Chilean officials.

Within this context the EU has expressed its intention to implement to the fullest extent possible the third generation cooperation agreements with the countries and groups of the region, and at the same time begin talks on new and more ambitious trade agreements.

Foreign Ministry Under Secretary Mariano Fernandez made a positive evaluation of the Basic Document on European Union Relations with Latin America and the Caribbean, which the EU troika is sending to the governments of the region.

The EU document says: "We intend to strengthen dialogue and cooperation between the European Union, the Rio Group, Central America, and Mercosur [Common Market of the South], broaden the issues for debate, and emphasize the political aspects of this dialogue. We are willing to initiate and strengthen dialogue and cooperation with other regional and subregional organizations, as well as with each country separately."

Precisely this paragraph, giving a choice between multilateral and bilateral links, is the one that is interpreted by the Chilean Foreign Ministry as a change in the EU policy, which at its last meeting in Corfu explicitly expressed its interest in strengthening trade links with Mercosur.

The case of Mexico was on that occasion used by Chilean officials to convey to the EU their interest in having Chile considered separately. It was later also shown to the European bloc that unilateral links were preferable.

Fernandez said: "We have received a positive sign from the EU on the proposals we have been submitting for a long time." [passage omitted]

Asked if the EU proposal allows the negotiation of a free trade agreement, Under Secretary Fernandez replied that he did not want to use labels or denominations, and that the important thing is to have room to move ahead in a closer relationship that includes economic and trade relations.

Colombia

President Samper Outlines Guidelines of Peace Policy

PA1711194394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1730 GMT 17 Nov 94

[Speech by Colombian President Ernesto Samper, upon presentation of the general guidelines of the peace policy to be implemented during his four-year term, in Popayan on 17 November; from "The Midday Newscast"—recorded]

[FBIS Translated Text] We come to Popayan in Cauca Department to talk about peace. We have chosen this dear land because it has suffered the terrible effects of violence as in many areas in the country: the abandoned fields; farmers and cattlemen expelled from their lands; the people moved away from their plots; the Indians uprooted; and frozen investments.

We Colombians want to see Cauca, our Cauca, and all Colombia progress without the interference of violence again. We want the country's schoolchildren to be able to talk about the future and not with the touching emotion expressed by the child Adriana Vidales, who is present here today, when she referred to the savage ambush that left misfortune and death in Puracea a few days ago.

We have listened to the report presented by the high commissioner for peace, Dr. Carlos Holmes Trujillo, who has developed an effective, discreet, and summoning work. We are willing to take an additional step in the search for peace. We are willing to start a new preparation phase for a future negotiation in the measure that we have the certainty it will lead us to a permanent peace, will not be used to make armed proselytism, and will be accompanied by effective agreements on the need to humanize the war.

The national government, within this framework, will propitiate preparatory rapprochements to prepare an agenda of negotiation. To this effect, it will give the necessary guarantees for the movement and personal security of the prospective interlocutors. Topics such as the one on violence, drug trafficking, and public order cannot be used for ephemeral role playing.

The national government is primarily interested in achieving peace; thus, it is concerned there are sectors that are more interested in the process to search for peace than in peace itself. That point is why we also insist on the need that the process be discreet, and we have also requested that the media make a commitment of self-regulation so as not to turn the search for peace into a spectacle that could end up in another painful jump into oblivion. It is not possible to make peace amid cameras, tape recorders, and notebooks. That the process be discreet does not mean it has to be secret. The people have the right to be informed of the advances in the peace process and development, and, of course, to give their opinion on the same.

To ensure the privacy of the talks, the national government believes the best place to advance in this preparatory phase would be in a foreign country. The government will insist on this point unless it has the certainty the preparatory rapprochements can be advanced with enough privacy and security in our national territory.

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Samper, Peace Commissioner Comment on Peace Process

PA1711200094 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1730 GMT 17 Nov 94

[News conference by Colombian President Ernesto Samper and Peace Commissioner Carlos Holmes Trujillo with local reporters at the Caldas Auditorium in Popayan, Cauca Department; from "The Midday Newscast"; broadcast in progress—live relay]

[FBIS Translated Text] [Samper] ...we hope there will be an attitude of reciprocity by the armed groups. We hope the intensity of the war will decrease. This process is one that should lead us to peace. We are working specifically for peace, because there is war.

[Unidentified moderator] The last question will be made by Jose A. Fernandez, from Notipopular.

[Fernandez] Mr. President, public opinion and those of us who live in Cauca Department, this beautiful region, have felt that previous governments have left us totally unprotected. We believe we can produce more in this part of the country by making peace. What is your opinion?

[Holmes] The peace proposal made by President Samper concerns the entire country. He said we are always going to call upon society at a regional level in this preparatory stage, with the purpose of getting society to participate, to facilitate the eventual negotiation process with the armed groups. Cauca Department must feel that the president's message delivered here today is meant for all conflict areas of the country.

[Unidentified reporter] Mr. President, you said the negotiation process could take place abroad. Could you give us further details?

[Samper] We have not decided on a specific site yet. The selection of the site concerns the level of discretion we believe the process will have. We believe the process must not be held secretly. Public opinion must be able to learn all the details, but the site must guarantee us a sufficient level of discretion so that we can progress in a clear manner.

[Reporter] Mr. President, concerning the peace you want to attain, will it be a peace without the military? Should we assume the government will have absolute control of the military forces, which are critical, because previous processes have failed because the military forces have interfered with the peace process? The second part of my question is, what methods have failed in the past, and what new methods will be tried?

[Samper] First, you must not forget the president is the commander in chief of the Armed Forces according to the Constitution. When I speak here, I am committing the Armed Forces to this process. The announcements we made today were previously made known to the Armed Forces. The peace commissioner informed the Armed Forces about the process. The Colombian state is committed to this process, including its Armed Forces.

[Reporter] In addition to the peace commissioner and the people who have been appointed to initiate the dialogues, who else can intervene? Can the Catholic Church participate as well?

[Samper] As we announced in the report released by the peace commissioner and as I previously announced, society's role is very important in this process. What we want is to facilitate peace. If we can get regional, church, or economic authorities to participate in this task of facilitating peace, we are not going hesitate in asking them to do so if their involvement is important.

Finally, we want to give you good news: I have invited Alfonso Lizarazo, who has just been released, to accompany me in the plane back to Santa Fe de Bogota. He should be arriving here in the next few minutes. We want to interpret Alfonso Lizarazo's release as a good sign of the peace we all want for Colombia.

Peace Commissioner on Negotiations With Guerrilla Groups

PA1711202394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1730 GMT 17 Nov 94

[Interview with Colombian Peace Commissioner Carlos Holmes Trujillo by Caracol News Director Dario Arizmendi and unidentified reporters in Popayan, Cauca Department; from "The Midday Newscast"—live relay]

[FBIS Translated Text] [Arizmendi] We would like you to clarify certain doubts we have. Would negotiations that, according to the president, will take place after the second preparatory phase is over include exclusively the FARC [Revolutionary Armed Forces of Colombia), the ELN, [Army of National Liberation] and the EPL [Popular Liberation Army] which were mentioned in your report?

[Holmes] No. As the president said in his speech today, the government's desire is to conduct overall negotiations. If conditions do not permit that, however, the government is willing to begin a negotiation with the groups formally expressing their desire for peace and reconciliation.

[Arizmendi] What will be the modus operandi of the working tables, which would also include texts of letters from guerrilla movements announcing peace proposals, the president has mentioned?

[Holmes] No. That is a different proposal. You must take into consideration that President Samper presented to the nation yesterday the basis for a national development plan. According to the 1991 Constitution, this development plan must be subject to public debates. The president said regional consultation meetings will be

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called to gather proposals reflecting the desire for change and solutions from various Colombian regions [words indistinct].

[Arizmendi] [Words indistinct] a firm and invariable position, to develop the preparatory phase and then to begin negotiations?

[Holmes] I would prefer to complete the preparatory phase and the possible negotiations abroad, of course. If conditions are favorable in Colombia, however, to advance to the next phase with some reservations, that possibility is not ruled.

[Reporter] Have there been any [words indistinct] in human rights in order to begin preparatory contacts?

[Holmes] The Colombian Government is totally committed to respecting human rights, and actions have already been implemented in that field. We have invited international delegations and organizations concerned about human rights. The Defense Ministry has adopted decisions; the Human Rights Ombudsman was created, have opened human rights offices in military garrisons, and the subject of human rights has been included in the various fronts. The country, state, and government are committed to respecting human rights.

What the president said about possible negotiations is that first of all the government is committed to respecting international humanitarian laws. This action is aimed at humanizing and regulating the conflict. He also urged the various guerrilla groups to commit themselves to those regulations so that possible negotiations are accompanied by effective coincidences on the norms of humanitarian international laws.

[Reporter] What is the first task during the preparatory phase?

[Holmes] Undoubtedly, promoting preparatory contacts. We will see how this can be done. Naturally, the next step will be a meeting with guerrilla groups in order to implement the phase that begins today.

[Reporter] As a man born in this region, Cauca, Valle Narino, what would happen if your peace mission fails? What would be Colombia's future?

[Holmes] No. I am very optimistic. That reason is why it is very important to prepare for the negotiations, to build solid foundations, so that once the talks begin they can lead to a peace agreement and national reconciliation.

[Reporter] Based on reports you have received from your delegate in Valle del Cauca Jose Noel Rios, what is your evaluation of the Jaime Bateman Cayon Movement, which released Alfonso Lizarazo? Could this be one of the small groups to participate in possible peace talks?

[Holmes] First, as all Colombians, I am very happy for Alfonso Lizarazo's release. I was in contact with Jose Noel Rios until 0300. I am glad to hear that what had been announced actually happened. We have heard that a note was sent. We are waiting for that note in order to carefully and judiciously review its contents.

Jailed Rebels Not Permitted To Mediate in Peace Process

PA1811023794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Nov 94

[Report by Alvaro Ayala from the "24 Hours Newscast"; passages within quotation marks recorded]

[FBIS Translated Text] Prosecutor General Alfonso Valdivieso has announced that rebel leaders Francisco Galan of the ELN [Army of National Liberation] and Francisco Caraballo of the EPL [Popular Liberation Army], both of whom are currently in jail in Santa Fe de Bogota, cannot serve as mediators in the upcoming peace process between the government and the guerrillas. Valdivieso referred to this and other burning issues tonight, and described the Cali Cartel as abusive. Alvaro Ayala reports:

[Ayala] The Prosecutor General's Office today refused to authorize rebel leaders Francisco Galan and Francisco Caraballo to mediate in the peace process with the national government.

[Valdivieso] "Absolutely not. They are still facing charges. Regional judges are working on Francisco Galan's case, and the Prosecutor General's Office is working on Caraballo's. Their cases are still being processed, and they will not be released unless a decision to release them is made within this process."

[Ayala] Valdivieso added that the government did not violate the antikidnapping law when it appointed a mediator to seek the release of Alfonso Lizarazo.

[Valdivieso] "I do not believe the government is violating the law. In fact, I believe there are actually special circumstances the government should be considering regarding this kidnapping."

[Ayala] As for the interview granted by Gilberto Rodriguez Orejuela to TIME magazine, Valdivieso said the Prosecutor General's Office will mete out justice, not injustice.

[Valdivieso] "I believe this article was disrespectful and abusive. I believe the Prosecutor General's Office has the constitutional and legal responsibility to enforce the law, and that is exactly what we are doing."

[Ayala] Valdivieso stated that faceless prosecutors are entitled to either reveal or maintain their secret identities.

[Valdivieso] "The decision to keep the identity of prosecutors secret was designed to protect the officials themselves."

[Ayala] He then discussed some prosecutors who are calling for very light sentences.

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[Valdivieso] "We are concerned that in many cases involving the policy of surrendering to justice some prosecutors have been calling for minimum sentences."

Ecuador

Army Commanding General, Officers Killed in Helicopter Crash

PA1711142194 Quito Voz de los Andes in Spanish 1200 GMT 17 Nov 94

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The Army commanding general and nine military officers [number as heard] died in a helicopter crash in the Pastaza area yesterday. General Miguel Gustavo Iturralde, Lieutenant Colonel Flavio Bastidas, Lieutenant Vinicio Bosmediano, Sergeant Santiago Anibal Guanga, Sergeant Marco Gaybor, Corporal Luis Ona, Soldier Abel Espinosa, and Kleber Recalde, the Army's cameraman, were killed in the crash. Out of the 20 passengers, 10 were killed, eight were injured, and two came out unscathed.

The general was aboard a Super Puma helicopter that crashed between the towns of Ishpingo and La Boca in Puyo Province, located approximately 250 km southeast of Quito, according to Army Colonel Edeberto Molina.

Miguel Iturralde, 53, was born in Latacunga. He was graduated as an armored cavalry second lieutenant in 1963 and was also a paratrooper. His military posts included the principalship of the Eloy Alfaro Higher Military School in Quito, military attache at the Ecuadoran Embassy in Washington, and Armed Forces representative to the Superior Council of the IESS [Ecuadoran Social Security Institute]. He was promoted to commanding general of the Armed Forces on 10 August 1994, because he was deemed the best officer for the post following a reshuffle in the Armed Forces. He was married to Susana Amaya, and two of his sons are also Army officers.

Ecuador has lost high-ranking military officers in various air mishaps within a short time. High-ranking military leaders, including Army Commanding Generals Carlomagno Andrade and Miguel Iturralde, have been killed in crashes.

The tragic accident yesterday, which killed 10 military officers, including the Army commanding general, took place in the area of Ishpingo Viejo near Pastaza. The Armed Forces Super Puma had left [word indistinct] to conduct routine reconnaissance flights in the Ishpingo area when it crashed. The reasons for this accident remain unknown.

Paraguay

Communist Publication Cites Reasons for Current 'Backwardness'

PY1511215094 Asuncion ABC COLOR in Spanish 14 Nov 94 p 7

[FBIS Translated Text] An article entitled "The Reign of Corruption and the Mafia" published in the Paraguayan Communist Party mouthpiece ADELANTE states: "We communists have always believed that drug trafficking, unbridled corruption, and widespread violence—offspring of a dependent capitalist system—are to blame for the backwardness and hunger of our people. They can be stopped only through the joint actions of all democratic and popular forces."

The November issue of ADELANTE adds that neither the Wasmosy administration nor any other change of guard at Government House "will end corruption in Paraguay because its members have ties with corrupt authoritarian groups that yearn for the return of the dictatorial past."

ADELANTE states that the people are calling for changes, for an in-depth, structural transformation of the country, capable of pulling them out of their extreme poverty. "The people no longer want a government tied to the past, but one working for a future of development, progress, independence and well-being."

The monthly's editorial discusses the need for a new kind of government and for an alternate source of power. It also makes a critical evaluation of the murder of General Rosa Rodriguez, the late National Antinarcotics Secretary, and of the recent Expo-Corrupcion [a seminar on corruption] organized by the United Workers Federation.

Peru

Fujimori Plans To Maintain 'Strong Fiscal Discipline'

PY1711160494 Madrid EFE in Spanish 2303 GMT 16 Nov 94

[FBIS Translated Text] Lima, 16 Nov (EFE)—Peruvian President Alberto Fujimori said on 16 November that the 1995 elections, in which he will seek reelection, will not cause him to fall into "economic populism." He said he will maintain the strong fiscal discipline that has been in effect since 1990.

Fujimori said: "Economic populism follows easy proposals. It spends what has been saved with the sacrifice of the people, and leaves us without a future for our children." The Peruvian president thus rebuffed opposition accusations on a supposed intention of his government to indiscriminately spend public funds to support his reelection campaign.

Reaffirming that there will be no changes in the fiscal policy, he said the economic stability achieved by Peru over the past two years "is a product of the serious handling of resources. This concept can be summarized in one word: Discipline." He added: "Ours is an economic strategy in which the money collected is not earmarked for some special pockets or sent abroad; it is fully intended for development."

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Minister Says Country Needs 'Special' Debt Payment Conditions

PY1711191094 Madrid EFE in Spanish 0251 GMT 17 Nov 94

[FBIS Translated Text] Lima, 16 Nov (EFE)—Economy and Finance Minister Jorge Camet stated today, 16 November, that Peru needs and deserves special conditions to negotiate its foreign debt with international private banks. Camet said the creditors must consider the way Peru has improved its economic situation in a very short term.

The Peruvian debt with international banks amounts to more than $6 billion, while the overall debt stands at $22 billion.

The minister said it is only natural for private banks to want what Peru owes them. Without being more specific, he reaffirmed that to fulfill its financial obligations, Peru needs special conditions.

Upon resuming negotiations, the creditor banks have promised to lift the more than 30 lawsuits filed against Peru for not paying its debt, following a Peruvian Government admission of a debt with two banks for the purchase of two ships in the 1980's.

Camet said he will travel to the United States to negotiate payment conditions with representatives of the creditor banks once the date is set by said representatives. This meeting must take place during December. He added that the Peruvian Government has promised to pay the expenses resulting from the suits filed against the country by the creditor banks, if these suits are suspended. He said these expenses amount to some $2 million.

Uruguay

Chinese Investors Visit Durazno

PY1711160194 Montevideo LA MANANA in Spanish 8 Nov 94 p 44

[Article by Nelson C. Poloni]

[FBIS Translated Text] Durazno—A group of Chinese investors from Zhejiang Province again visited Durazno and held an interesting meeting with Sarandi Juambeltz, who is the Durazno mayor and a notary public; Juan Bruno, the Small and Mid-Sized Businessmen's Association president; and Departmental Government Planning and Project experts. The meeting took place at the Durazno City Hall.

The visitors were given a 60 page report describing the profile of Durazno on its geography, geology, water supply, communications, and the possibility of an alternative international airport, as well as fiscal information, etc.

This study will be translated and sent to the PRC in a report.

The Chinese representatives who came to Durazno expressed interest mainly in wheat, soybeans, fish, fruits, vegetables, kaolin, and wool.

They also mentioned the possibility of installing a factory in the area. This remains pending for another meeting that will also take place in Durazno.

Trade Agreement Signed With Venezuela

PY1711180294 Montevideo EL OBSERVADOR ECONOMICO in Spanish 14 Nov 94 p 15

[FBIS Translated Text] Uruguay and Venezuela have established channels to determine if Uruguayan agricultural products may be exported to Venezuela, and vice versa, through the signing of the Institutional Agreement on Vegetable and Animal Health.

During the signing ceremony on 13 November at the Santos Palace [the Foreign Ministry building], Venezuelan Foreign Minister Miguel Burelli said his country is interested in importing lamb and milk products, adding that the private sector must take advantage of these new opportunities.

He stressed that a "general framework" has been established and that there are interesting prospects for Uruguay to exchange wool for man-made fibers.

Uruguayan Foreign Minister Sergio Abreu said: "Quotas are not being established. An additional instrument has been outlined to encourage private activities," which represents the fruit of the "professionalism" of the ministries involved in the negotiations. He said the document presupposes "better prices for exporters."

Livestock, Agriculture, and Fisheries Minister Gonzalo Cibils stated that the joint task of both technical services is reflected in the visit of the Venezuelan foreign minister, thus establishing a reference for bilateral private sector trade. The minister told EL OBSERVADOR ECONOMICO: "The road is open for the private sector to operate freely, because retentions and barriers of a sanitary and phytosanitary nature have been adapted to international norms in accordance with the GATT Agreement."

He said: "There are clear and objective rules and regulations pertaining to bilateral trade, beginning with new stages for the private sector regarding the sale of mutton, milk products, beef or grains to Venezuela, including the placing of hydrocarbons and other products." He added emphatically that measures have been adopted to prevent "sanitary risks that can derive from an increase in trade."

Cibils said: "Some preliminary enquiries show the possibility of selling mutton. This is now permitted because problems have been overcome and private operators have been authorized to make deals."

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Finally, the minister said a document was submitted this week in the United States, pointing out the progress that our country has made in the fight against foot and mouth disease, and the exchanges with the Agriculture Department and the agricultural commissioner of Texas.

Ministry Begins Program To Safeguard Ozone Layer

PY1711155994 Montevideo LA MANANA in Spanish 10 Nov 94 p 10

[FBIS Translated Text] Uruguay has begun to implement measures to protect the ozone layer. A reduction of the use of products that affect the ozone layer is among the first measures to be adopted by the government.

The initiative is based on a program calling for the reduction of substances that affect the ozone layer. The program has been prepared by the Housing and Environment Ministry, through the Government Technical Commission on Ozone.

The ozone layer in the atmosphere protects living things on our planet by filtering ultraviolet rays. During the past few years the reduction of the ozone layer and the appearance of a hole over the Antarctic provoked an alert and the implementation of measures at a world level.

This year the reduction of the ozone layer over the Antarctic reached a record 70 percent and the hole extended over the oceans adjacent to the white continent, including the southernmost areas of Chile and Argentina.

The reduction of the ozone layer effects the planet as a whole, and the northern hemisphere also feels the effects. During recent meetings on the environment, especially at ECO-92 [the 1992 United Nations summit on the environment held in Rio de Janeiro], the world's governments committed themselves to implement measures of recompose the ozone layer, a process that will take from 30 to 50 years, according to scientists.

The Housing and Environment Ministry is now working with enterprises that import and distribute chlorofluorocarbon (CF 12), which is used in domestic and commercial refrigeration. The program includes talks on the adequate use of refrigerants. These talks, which seek to impart instruction and advice, will be given by Robert Berkeley, an international expert who has been contracted through the UNDP.

These talks will be held on 16 and 17 November from 0830 to 1300 at the Carlos Brussa Room, 767 Paysandu Street, Montevideo.

Venezuela

Former President Perez Faces Embezzlement Charges

PA1711225094 Caracas Union Radio Network in Spanish 2200 GMT 15 Nov 94

[Report by Myriam Arevalo from the "Union Radio News" newscast]

[FBIS Translated Text] Prosecutor General Ivan Dario Badell Gonzalez has filed embezzlement and aggravated misappropriation charges against former President Carlos Andres Perez and four others implicated in the embezzlement of 250 million bolivares. After reviewing the case for three months, Ivan Dario Badell presented his writ of charges to the Supreme Court. The document presents legal arguments and specific evidence, and it requests convictions for all five suspects on criminal charges.

[Begin Badell recording] In the corresponding writ, I have drawn up charges against former President Carlos Andres Perez for the crimes of aggravated misappropriation and embezzlement. Those charges also apply to former Ministers Alejandro Izaguirre and Reynaldo Figuerdo Planchart. I have charged Carlos Vera and Oscar Barreto as accomplices in the crime of aggravated misappropriation. [end recording]

The prosecutor general requested that the individuals charged be disqualified from political life while serving their sentences and that they be banned from public office. He also presented civil charges against them.

[Begin Badell recording] I also have presented charges against them in a civil court to guarantee that they pay restitution for the damages caused to state assets—damages that amount to 637,562,931.02 [currency not specified]. [end recording]

Ivan Dario Badell asked the Supreme Court to recalculate the damages, based on the country's inflationary rate, when the final sentence is issued. Therefore, if Perez and the other individuals are sentenced, they will have to repay an amount that will greatly exceed the 637 million. The next step in the legal proceedings will be the defendants' public trial, which has been scheduled for next Tuesday. The individuals charged, all of whom are currently under arrest, must be present at this trial.

Perez Outraged by Embezzlement Charges

PA1811014594 Caracas Union Radio Network in Spanish 2200 GMT 15 Nov 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] Former President Carlos Andres Perez expressed not surprise, but outrage, after embezzlement charges were filed against him by the prosecutor general of the Republic. Today Prosecutor General Ivan Dario Badell filed formal mismanagement and embezzlement charges corresponding to the case of the 250 million bolivares.

[Begin Perez recording] Well, everything has been recorded. Therefore, this is simply a case of a prosecutor general washing his hands in order to avoid facing possible censure motions because he failed to file charges. [end recording]

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The former president pointed out that Ivan Dario Badell's decision is simply aimed at preventing any criticism from the public.

[Begin Perez recording] Neither I, Minister Izaguirre, nor Minister Figueredo have been involved in any wrongdoing. Things are going to continue developing as they are. We have been involved in this for more that a year and a half. It would be inconceivable for them, after subjecting me to this situation for nearly a year and a half, to now say that nothing has happened and that it was all a big mistake. Everything is being manipulated. It is nothing more than an ongoing conspiracy. [end recording]

Perez also says his lawyers will continue with every available legal action necessary, which, in the end, will prove he is innocent.

Interior Minister: 'Sufficient Legal Resources' To Handle Perez Case

PA1811014294 Caracas Union Radio Network in Spanish 2200 GMT 15 Nov 94

[Report by Isa Marino from the "Union Radio News" newscast]

[FBIS Translated Text] Interior Minister Ramon Escovar Salom has said that the Venezuelan state has sufficient legal resources to proceed with the case against former President Carlos Andres Perez.

The minister noted that the executive branch has been very cautious in overseeing the way in which the former president of the Republic has benefited from being placed under house arrest instead of being imprisoned. He adds that the former president also has been given privileges as mandated by the law for someone of his age.

[Begin Escovar Salom recording] In this case, we are not violating any law or the Constitution. The Venezuelan state is simply fulfilling current legal guidelines concerning an offense that deserves to be censured and penalized. Therefore, former President Perez should desist from saying that this is a conspiracy, that everyone is plotting against him, and that his rights to due process are being violated. He is being allowed to defend himself according to guidelines established in the Procedural Code, and he will have a trial in which he will be able to argue his case. [end recording]

Meanwhile, the interior minister also said the Copei [Social Christian Party] parliamentary bloc has presented an initiative he believes proposes a very constructive suggestion concerning the security problem. The initiative proposed by Copei parliamentary bloc leader Ramon Guillermo Aveledo proposes several options, most of which are dependent exclusively on the executive branch.

Minister Escovar Salom, for his part, announced that the security dilemma lies in the manner in which expenditures to overcome the lack of security in Venezuela are managed, classified, and executed.

Senate Committee Chairman Discusses Armed Forces Budget

PA1811031894 Caracas EL UNIVERSAL in Spanish 16 Nov 94 Section 1 p 14

[FBIS Translated Text] Lewis Perez Daboin, chairman of the Senate Defense Committee, today said the National Armed Forces [FAN] will have a deficit of approximately 10 billion bolivares in the 1995 budget. Perez Daboin, who is Democratic Action's national secretary for administration, added that when he received the budget bill submitted by the executive, the FAN was requesting 144 billion bolivares.

Daboin said: "When we began to talk to the various commanders, this figure increased by another 44 billion among the Ministry of Defense, the four forces, the Martial Court, and the National Armed Forces Social Security Institute."

Later, he added, the defense minister sent a note to the Defense Committee in which he pointed out that the ministry had contracted debts totaling 13 billion bolivares, leaving the ministry with debts and deficits reaching 57 billion bolivares. The national executive, through an additional credit, included approximately 24 billion proposed in the budget—13 billion to pay the debt and 11 billion for operational costs. The approval of another 25 billion bolivares was announced yesterday, which means the FAN will still have a deficit of approximately 10 billion bolivares.

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